

Speed  
Reliability  
Value Performance

## COMPUAGE INFOCOM LTD

22<sup>nd</sup> August 2019

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: Corrigendum to 20<sup>th</sup> Annual Report of the Company for the year 2018-19

Dear Sir/ Ma'am,

With reference to captioned subject, you are requested to kindly note that on page number 44 of the 20<sup>th</sup> Annual Report for financial year 2018-19, under 18.b.ii shares of the allottees mentioned hereunder for commencement of lock-in be read as:

Name of the Allottee	No. of Equity Shares allotted
Ajay H. Mehta	180000
Ajay Harkishandas Mehta Joint Manisha Mehta	190370
Khadija Jagmagia	370370
Aahad Jagmagia	92592

In this regard, we have enclosed a copy of the corrigendum published in newspapers for your information and record.

Kindly take the same on your record and oblige.

Thanking you,

Yours faithfully,  
For Compuage Infocom Limited,

Disha Shah  
Company Secretary



Place: Mumbai

**COMPUGAGE INFOCOM LIMITED**  
**CIN: L99999MH1999PLC135914**  
 Regd. Office: D-601/602 & G-601/602, Lotus Corporate Park, Graham Frith Steel Compound, Western Express Highway, Goregaon (East), Mumbai - 400063.  
 Tel No: 022-67114444 | Fax No: 022-67114445  
 E-mail: investors\_relations@compugaeindia.com  
 Website: www.compugaeindia.com

**CORRIGENDUM FOR THE 20TH ANNUAL REPORT**

Wrt. 20th Annual Report, for point no. 18.b.ii on pg.44, shares of the allottees mentioned hereunder for commencement of lock-in be read as:

Name of the Allottee	No. of Equity Shares allotted
Ajay H Mehta	180000
Ajay Hanishandas Mehta	
J.T. Manisha Mehta	190370
Khadga Jagmagia	370370
Ashad Jagmagia	92592

For Compugae Infocom Limited  
 Date : 20.08.2019 Sd/-  
 Place : Mumbai Company Secretary

बुधवार, दि. २१ ऑगस्ट २०१९

मुंबई तसलीप

**COMPUGAGE INFOCOM LIMITED**  
**CIN: L99999MH1999PLC135914**  
 Regd. Office: D-601/602 & G-601/602, Lotus Corporate Park, Graham Frith Steel Compound, Western Express Highway, Goregaon (East), Mumbai - 400063.  
 Tel No: 022-67114444 | Fax No: 022-67114445  
 E-mail: investors\_relations@compugaeindia.com  
 Website: www.compugaeindia.com

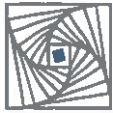
**20th ANNUAL REPORT**

पृष्ठ ४४ वरील टीबल क्र.१८.बी.२ वरील २०वा वार्षिक अद्ययत्नसंदर्भात प्राप्तकर्त्यांचे शेअर्स हे लॉक-इन प्रतपावरील साहीलप्रमाणे नमूद आहेत.

प्राप्तकर्त्याचे नाव	हेअरसत आलेले समभागांची संख्या
अजय एच. मेहता	१८००००
अजय हरकिशनंदरास मेहता	
ज.टी. मनिषा मेहता	१९०३७०
खदगा जगमगीया	३७०३७०
आशद जगमगीया	९२५९२

कॉम्प्युएज इन्फोकॉम लिमिटेड वतीस  
 दिनांक : मुंबई तसलीप  
 दिनांक : २०.०८.२०१९ कंपनी सचिव





Speed  
Reliability  
Value Performance

## COMPUAGE INFOCOM LTD

22<sup>nd</sup> August 2019

To,  
The Corporate Services Dept.  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
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National Stock Exchange of India Ltd.,  
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C-1, Block G, Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051.

Security Code: 532456  
ISIN: INE070C01037

Symbol: COMPINFO

**Sub: Submission of the Revised 20<sup>th</sup> Annual Report of Compuage Infocom Limited  
for the financial year 2018-2019**

Dear Sir/Ma'am,

Pursuant to Regulation 34 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of revised 20<sup>th</sup> Annual Report of the Company for the financial year 2018-2019. This is to inform you that 20<sup>th</sup> Annual General Meeting of the Company was held on Wednesday, 21<sup>st</sup> August 2019 at 10:20 a.m. and concluded at 10:50 a.m. at Hotel Bawa International, near Domestic Airport, next to Orchid Hotel, Vile Parle (East), Mumbai - 400099.

Request you to take the revised Annual Report on record.

Thanking you,

Yours faithfully  
For Compuage Infocom Limited,

Disha Shah  
Company Secretary

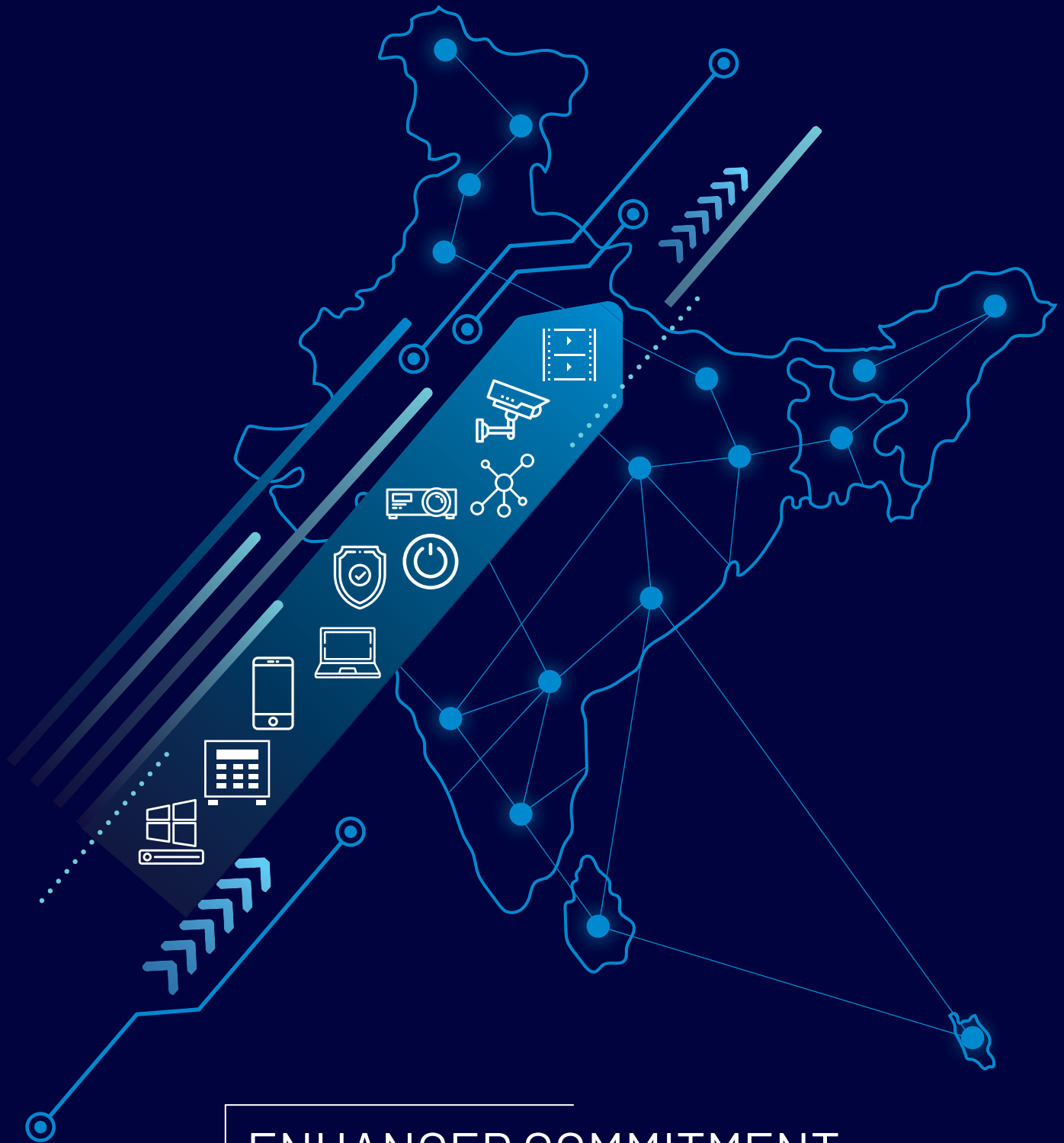
Place: Mumbai  
Encl: As above

# ANNUAL REPORT 2018-19



Speed  
Reliability  
Value Performance

COMPUAGE INFOCOM LIMITED



ENHANCED COMMITMENT  
ENDURING GROWTH

# YOU WILL COME ACROSS

## CORPORATE OVERVIEW



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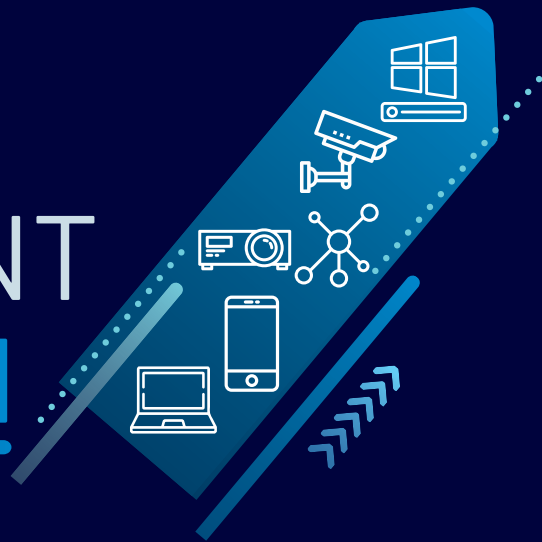
Please find our  
online version at  
[www.compugageindia.com/annual-reports.html](http://www.compugageindia.com/annual-reports.html)  
Or simply scan to download

CIN:	L99999MH1999PLC135914
BSE Code:	532456
NSE Symbol:	COMPINFO
Bloomberg Code:	CPGI: IN
Dividend Recommended:	₹ 0.40 per share
AGM Date:	21 <sup>st</sup> AUGUST 2019
AGM Venue:	HOTEL BAWA INTERNATIONAL NEAR DOMESTIC AIRPORT NEXT TO ORCHID HOTEL VILE PARLE - EAST MUMBAI 400 099

### Disclaimer:

This document contains statements about expected future events and financials of Compugage Infocom Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

# OUR COMMITMENT DRIVES GROWTH



## COMMITMENT



to our  
**CHANNEL  
PARTNERS**



to our  
**BRAND  
PARTNERS**



to our  
**EMPLOYEES**



to our  
**STAKEHOLDERS**



to the  
**SOCIETY**

Over the past 32 years of its operations, Compuage Infocom Limited has been driving a collaborative growth for everyone associated with the Company. It has emerged as one of India's leading IT and Mobility products and services distribution intermediary bringing in world-class products to India and the SAARC nations.

The IT and Mobility products and services have been dynamically evolving over the years. The Company has been enduring growth by being responsive to change and continuously updating and upgrading its offerings. It has also proactively identified high-growing product segments and ventured into the distribution of the same to take advantage of the growing demand. With the high riding digital wave and emergence of internet economy, 'Cloud technology' is the buzzword among the masses. The Company is optimistic about the next wave of growth coming from this segment. It has taken strategic initiatives that will drive enduring growth for the stakeholders associated with the Company.

₹ **10,279.49** Lakh

Market capitalisation as  
on 31st March 2019

₹ **4,53,124.28** Lakh

Total revenue in 2018-19

₹ **9,344.96** Lakh

EBITDA in 2018-19

₹ **2,258.34** Lakh

PAT in 2018-19

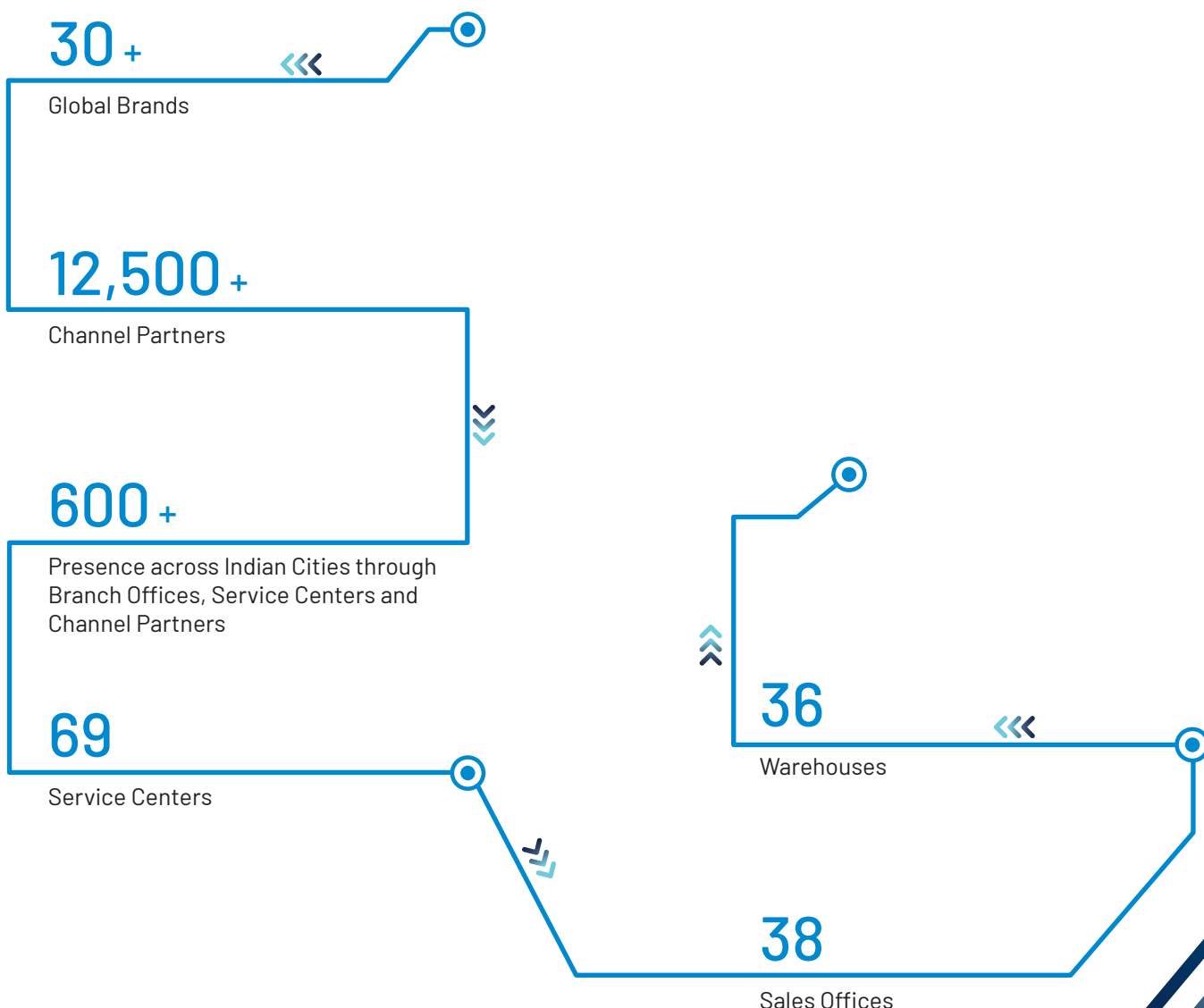


# COMPUAGE IN A NUTSHELL

COMPUAGE INFOCOM LIMITED ('COMPUAGE' OR 'THE COMPANY') IS ONE OF THE PROMINENT PROVIDERS OF IT AND MOBILITY PRODUCTS AND SERVICES, THROUGH A WIDESPREAD NETWORK OF RESELLERS ACROSS THE NATION.

Established in 1987 and headquartered in Mumbai, the Company has evolved into a seamless distribution intermediary of top-of-the-line technology products and solutions like PC components and peripherals, computers, enterprise solutions, cloud computing, mobility products and services. The Company manages complete supply chain from procurement, warehousing, broking bulk, technical support, transporting and credit deployment.

The distribution strength of the Company is strongly complemented through a large national reseller network aiding in marketing, operational and technical services.







## OUR VISION

To be a world-class Information Technology, Products and Services Distribution Company, with strong values and beliefs.



## OUR MISSION

To deliver superior value to our Customers, Vendors, Shareholders, Employees and Society at large.



## OUR VALUES

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





# RICH PRODUCT PORTFOLIO



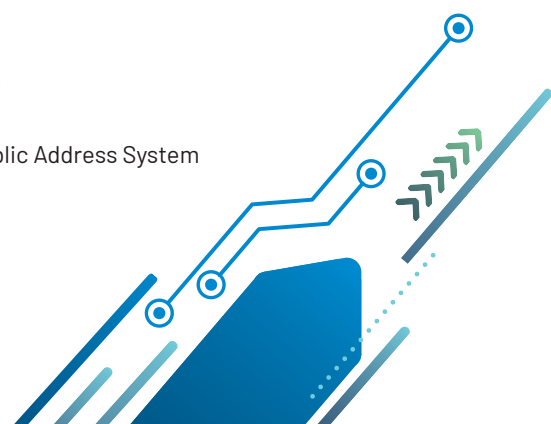
## PC COMPONENTS, PERIPHERALS AND PERSONAL COMPUTERS

- TFTs & Storage Devices, Memory Products
- Peripherals & Supplies
- Projectors
- Audio & Video Products
- Accessories
- Laptops, Desktops & AIOs



## ENTERPRISE SOLUTIONS

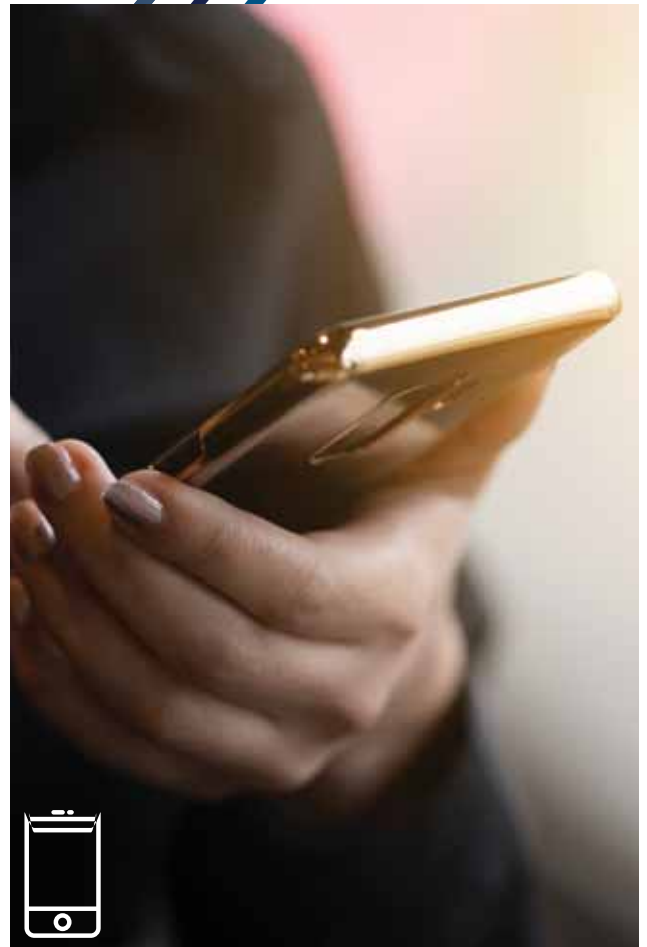
- Active Networking
- Passive Networking
- Power
- Security
- Storage
- Software
- Video Surveillance
- Access Control
- Fire Alarm and Public Address System





## CLOUD COMPUTING

- Business Applications
- Communication and Collaboration
- Security
- Infrastructure
- Cloud Management Services
- Vertical Solutions



## MOBILITY PRODUCTS

- Smartphones
- Tablets
- Mobile Accessories



# OUR ASSOCIATIONS WITH THE WORLD'S BEST BRANDS ACROSS PRODUCT CATEGORIES

## MOBILE DEVICES



**Mobile  
accessories**



**Smartphones**



**Tablets**

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## PHYSICAL SAFETY AND SECURITY



**Video  
surveillance**



**Access  
control**



**Intelligent  
video  
management**

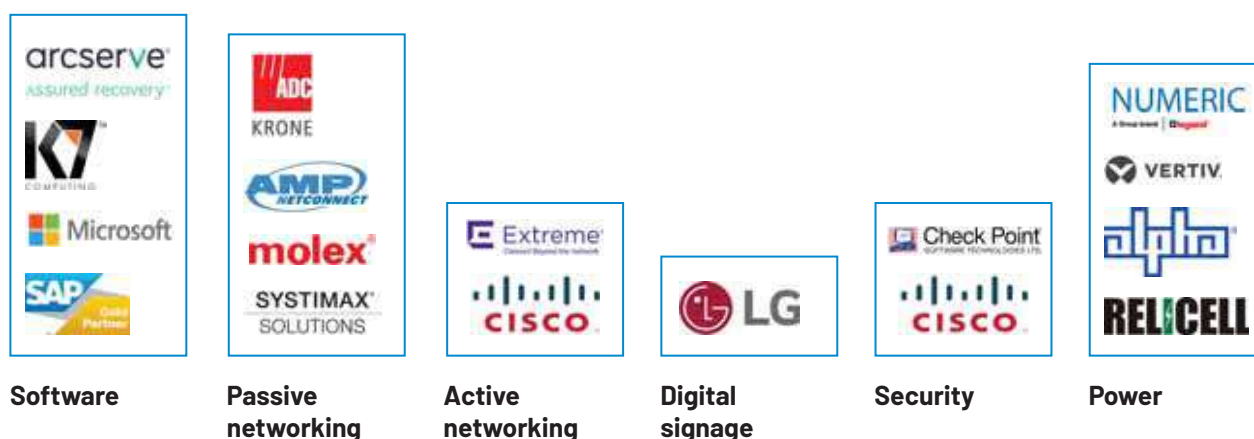


**Notification  
& response**

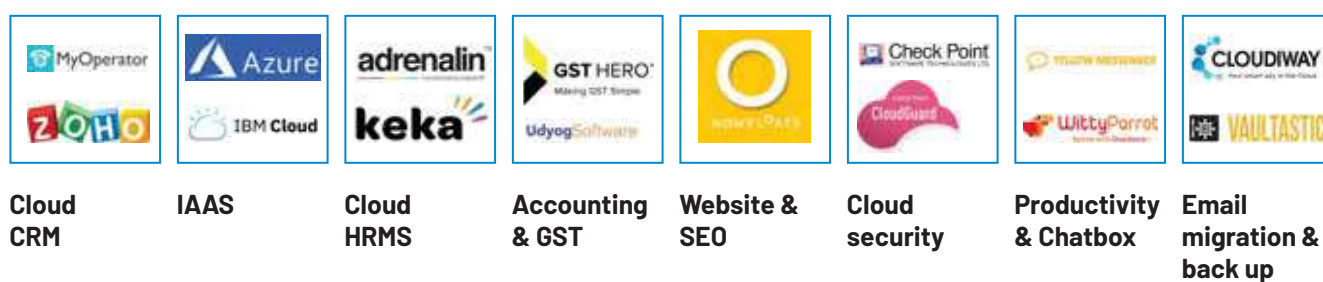
## PCS, COMPONENTS AND PERIPHERALS

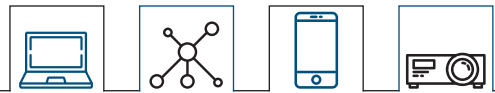


## ENTERPRISE SOLUTIONS



## CLOUD SOLUTIONS





# BUSINESS MODEL

COMPUAGE'S BUSINESS MODEL RESTS STRONGLY ON THE IN-DEPTH INDUSTRY KNOWLEDGE TO RECOGNISE THE IT TRENDS EARLY AND RESPOND IN A TIMELY MANNER

## INPUT CAPITAL

### FINANCIAL CAPITAL

- Equity: ₹ 1299.52 Lakh
- Cash generated: ₹ 172.30 Lakh



### INFRASTRUCTURE CAPITAL

- Head Office: Mumbai
- Warehouses: 36
- Sales Offices: 38



### HUMAN CAPITAL

- Board and Executive Management
- 856 employees
- Employees of the associated companies (Resellers and Distributors)



### RELATIONSHIP CAPITAL

- Shareholders
- Employees
- Customers
- Alliance partners (brands)
- Channel partners



### TECHNOLOGY CAPITAL

- IT trend spotting
- Supply chain management
- Inventory management
- Receivables management



### SOCIAL CAPITAL

Investment towards community upliftment



## VALUE-CREATORS



### WHAT DRIVES OUR BUSINESS MODEL?

- An outstanding reputation with vendors
- A close watch on developing trends in digital technology, given that the 'Internet of Things' will connect a far broader range of devices than previously associated with IT
- A harmonious team that is constantly being upskilled and promoted through definitive career paths
- A large number of loyal resellers' and solution providers' that extends across most of the IT markets, from SMEs up to the large corporate and public sector organisations
- Identifying aligned business opportunities and entering into business relationships with strong brands in those spaces

# OUTPUT AND OUTCOMES



## PRODUCT PORTFOLIO

- Strong and unique product portfolio based on in-depth expertise and strong domain knowledge
- Value-driven products and services driving cross sales and enhancing sales volumes

## CUSTOMER SATISFACTION

- Delivering need-based solutions
- Strong product quality
- Strong pre and post-sales support
- Strong service ethics

## PARTNER BONDING

- Help partners with accelerator tools to boost sales
- Regular promotional programmes to maintain partner interest
- Wide spread distribution network
- Strengthened alliances and partner count consistently

## MARKET LEADERSHIP

- Emerged as one of the leading IT and Mobility products and services provider in India

## TECHNOLOGY DEVELOPMENTS

- Continuous and strategic investments in technology upgradation across all the key business
- Efficient operations
- Better productivity

## SHAREHOLDERS' RETURNS

- Dividend payout over the past five years:

2017-18: ₹ 234.96 Lakh  
 2016-17: ₹ 234.96 Lakh  
 2015-16: ₹ 234.96 Lakh  
 2014-15: ₹ 133.10 Lakh  
 2013-14: ₹ 93.17 Lakh

- Amongst top 2000 companies based on market capitalisation as on 31st March 2019

## SOCIETY

- ₹ 49.01 Lakh spent on CSR activities across education, healthcare and social welfare

## GROWTH STRATEGIES



Organic and inorganic growth



Invest in products of tomorrow: Cloud computing





# THE CHEMISTRY OF GROWTH: ORGANIC AND INORGANIC FORMULA

AT COMPUAGE, WE HAVE BEEN FUELLING VALUE-ADDED GROWTH BY BEING COMMITTED TO OUR CHANNEL PARTNERS AND RESELLERS THROUGH BOTH ORGANIC AS WELL AS INORGANIC WAYS. FOR US GROWTH IS NOT MERELY BY CHANCE, BUT IT IS THE COLLECTIVE RESULTANT OF ALL THE FORCES WORKING TOGETHER TOWARDS IT. IN OUR JOURNEY ACROSS ALL THE YEARS, WE HAVE ALWAYS TAKEN PRIDE TO HAVE EACH OF OUR ASSOCIATES - CHANNEL PARTNERS AND RESELLERS - WITH US ON THE GROWTH PATH.

## WELL-DIVERSIFIED PRODUCT MIX AND RESELLER DISTRIBUTION

- No Compuage product line accounts for more than 30% of its revenues
- No reseller accounts for more than 10% of its sales



## DIVERSIFIED SALES CHANNELS

We bring strategies to action by serving as an important link between our channel partners and ultimately benefiting the end-customers. We have routed our success path through thousands of traditional resellers spread across the country, modern retail formats and the online retailers which are the latest shopping destinations for the millennials. This has made anyone and everyone who is a reseller as our potential customer.

## MAKING FURTHER INROADS TO THE UNTAPPED GEOGRAPHIES

We have chosen to work across the length and breadth of the nation with a remarkable presence across the metro cities as well as tier II and tier III cities. As a part of our value-addition commitment to our resellers, we are further penetrating the underserved geographies of the nation. This would further drive the volume for the distribution intermediaries. Different product segments are catered through separate sales channels, establishing dedicated focus and better service quality for the end-users.

## SUPPORTING WITH THE LATEST UPDATES

Continuous training and support is provided to the downstream distributors to keep them updated about the latest products and offerings, guiding them in sustaining and growing their business. Various credit schemes are exercised to smoothen their financial operations. A frequent turnaround of inventory gets exercised to make the resellers available with a wide range of offerings towards the end users. They also serve the end users during the warranty period by servicing their needs.

**GOING AHEAD, THE COMPANY PLANS TO  
STRENGTHEN ITS RESELLERS' NETWORK TO 15,000  
WITH A SPREAD ACROSS 750 CITIES AND TOWNS  
OVER A SPAN OF NEXT THREE YEARS.**

## NEAR TERM VISION





# THE PROGRAMMED GROWTH: IN CLOUD COMPUTING WAY

The recent revolution in the Indian IT Sector is witnessed in the form of Cloud Computing. The Cloud is leading to a remarkable change the way IT services are being provisioned and used. The most advantageous factor offered by the Cloud is that it allows an organisation to have its IT infrastructure network without any capital expenditure. The 'Pay-as-you-go' or operational expenditure formula works in the favour of any organisation, leading to a lot of savings in capital investments. This coupled with the benefits of flexibility, scalability and ease of implementation makes it an attractive proposition for not only start-ups, small & medium enterprises (SMEs) but also for large enterprises through our resellers.

Over the last two years, the public cloud services market in India has seen phenomenal growth and is expected to reach to \$4 billion by 2020. Today, India is second only to China as the largest and fastest-growing cloud services market in Asia Pacific. With rapidly rising internet penetration, its reach will not be limited to only the industrial sector, but will also advance across the Government set-up, education and healthcare segment.

The interest in the cloud is being driven by the increasing need for business innovation and agility, the ability to scale fast in a competitive market, and the Government's thrust towards Digital India.

**WE AT COMPUAGE HAVE SUCCESSFULLY  
ENTERED THIS SEGMENT WITH A VISION BEYOND  
TOMORROW. WE HAVE INCLUDED SEVERAL  
CLOUD-BASED OFFERINGS IN OUR PORTFOLIO  
WHICH HAS THE CAPABILITY TO DRIVE LARGE  
CHUNK OF GROWTH GOING AHEAD.**



## TYPES OF CLOUD OFFERINGS

### PRIVATE

Operated  
for a single  
organisation

### COMMUNITY

Shared by several  
organisations supporting  
a specific community

### PUBLIC

Available to the general public  
or large industry group, owned  
by an organisation selling Cloud  
services

### HYBRID

Two or more Clouds that  
remain unique but are bound  
by technology that enables  
data and application portability



# CHAIRMAN'S MESSAGE



INDIA IS THE HOTSPOT OF DIGITAL INNOVATION AND AT THE CUSP OF THE FOURTH INDUSTRIAL REVOLUTION WITH THE NEW-AGE TECHNOLOGY GAINING IMMENSE MOMENTUM. CLOUD COMPUTING IS THE NEW BUZZWORD OF THIS ERA AND WE ARE GEARED UP FOR THE NEW WAVE OF GROWTH.

## Dear Shareholders,

It's a moment of great delight for me to communicate with you about yet another year of enhanced growth. The year 2018-19 was marked by new sign-ups, addition of new members to our reseller network and extension of our reach to newer locations across the nation with enhanced product offerings for the end-users.

The influx of digitisation spreading across all the segments of industry and community is leading to a strong opportunity for the technology distribution space. With our diversified business model, impressive product portfolio and better servicing reach to the end-users, we are well-poised to grow further in our space.

**We continuously gear up to support our partners by identifying the right solution for them at the right time.**

## COMPANY'S PERFORMANCE IN 2019

The year 2018-19 at the macro-economic level was a bit challenging owing to tightness in the availability of credit and general slowdown in terms of overall economic growth. Amidst this backdrop, we have reported a net sales of ₹4,51,483.37 Lakh as against ₹4,07,440.78 Lakh in 2017-18. EBITDA stood at ₹9,344.96 Lakh as compared to ₹8,485.16 Lakh in the previous financial year. We have recorded a PAT of ₹2,258.34 Lakh in 2018-19 as against ₹2,054.36 Lakh in 2017-18. We have distributed products of leading global brands to over 600+ cities and towns across the nation through a strong network of 12,000 resellers. During the year under review, we signed two new brands – Altec Lansing and CBC Ganz and around 15 Cloud brands.

## EVOLVING ON THE GROWTH PATH

Today, technology is evolving at a faster pace than we have ever witnessed. Humans have embraced this change of the digital age. Our country is undergoing a digital transformation in a big way. Whether it is big metropolitan cities or small towns, a well-connected India has the potential to usher in economic and welfare opportunities for its citizens. With the same Government being elected for its second term, the push for digitisation is going to strengthen further.

The massive reach of mobile connectivity and the deeper penetration of internet in the smaller cities & towns provide a big opportunity for the mobile and connectivity devices. The Government's strong steps towards 'Digital India' will have huge potential in driving demand for PCs and computer peripherals segment. The need for physical safety and security devices such as CCTV cameras is ever-increasing from the offices, malls, hospitals, schools and even individual homes. This has marked the beginning of an irreversible journey from small to being large and larger.

## EVOLVING WITH THE CUSTOMERS

The ever-evolving technology will continue to drive consumer aspirations. Customers' standards for modern engagement are a far cry from the transactional, one-size-fits-all experiences that were once de facto. Tailored, contextualised engagement across multiple touchpoints is the benchmark. We are now entering an era where a Company's ability to provide innovative experiences is as important as the quality of its products. Innovation is accelerating across the industries, thanks to emerging technologies like Artificial Intelligence (AI) and the Internet

of Things (IoT). With many consumers and business buyers willing to pay a premium for differentiated, first-to-market products and services that enhance their experiences, we at Compuage remain relevant with the evolving customer expectations and demands.

We see a huge potential for the IT products and services in the years to come. With the digitisation wave, the technology will become an integral part of each and every household, irrespective of whether it is in a city or a village. Like smart cities, India will soon have smart villages in the years to come. As a Company, we are aligned with all the leading brands across our areas of offerings and are well-positioned to reach out deeper to the countrywide clientele and leverage the advantage.

**We always keep checking the changing market dynamics which provides us with opportunities to take a refreshed look at our offerings and revive the basket as per the need.**

## STRATEGIC PRIORITIES AND OUTLOOK

For us, the passion for growth is contagious. We strongly believe that if all our associates on this journey grow, then we are really set on the right path. As an industry player, we remain razor focused on the key areas that have potential strong growth in the future. Some of our key strategic priorities for the near term include:

- 🕒 Explore opportunities in the cloud-based products – being relevant to the changes
- 🕒 Continue to work as a true value-added distributor by working closely with our channel partners and resellers
- 🕒 Guide partners to the newer venues of growth
- 🕒 Grow inorganically in the existing brands by including new product lines
- 🕒 Enhance reach across the nations by adding more resellers and penetrating into newer geographies within the interiors of India
- 🕒 Build the hardware service division to 100-owned service centres over the next three years

With this clarity and conviction, I am confident that your Company will climb new ladders on the growth path and deliver maximum value to our esteemed stakeholders. I hereby take this opportunity to thank all our Shareholders, Board Members, Employees, Partners and Resellers for being a part of this journey of growth. We look forward to your continued support going ahead.

With warm regards,

**Atul H. Mehta**

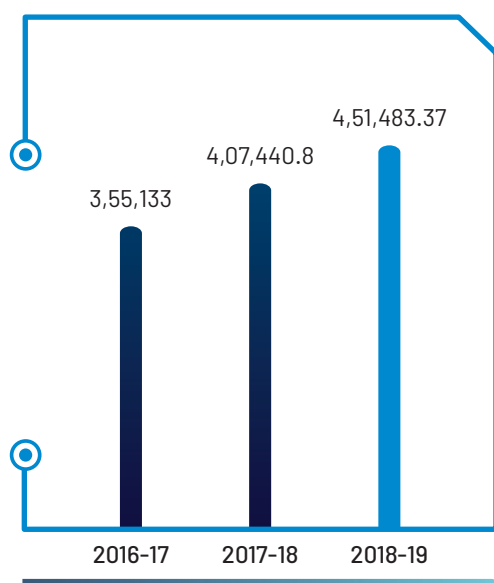
**Chairman & Managing Director**



# FINANCIAL HIGHLIGHTS

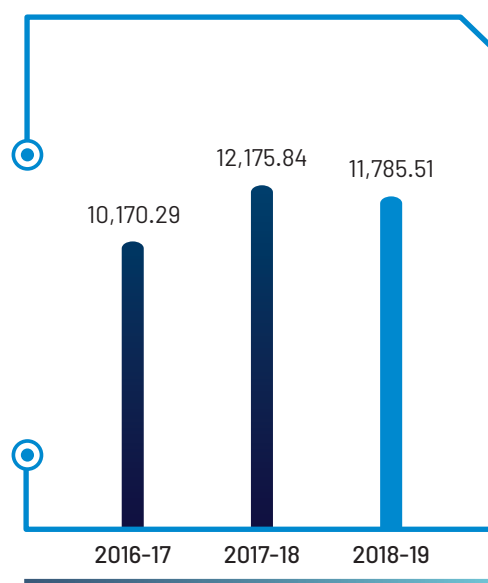
## NET SALES

(₹ in Lakh)



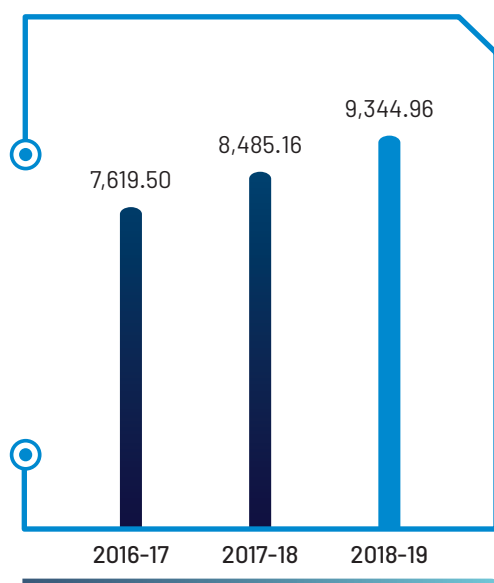
## FREE CASH

(₹ in Lakh)



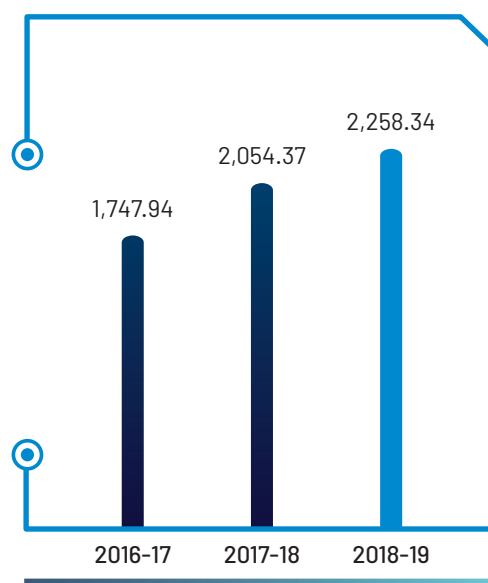
## EBIDTA

(₹ in Lakh)



## PROFIT AFTER TAX

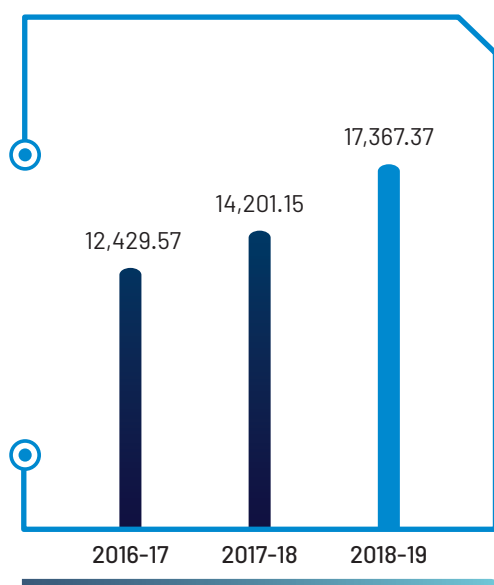
(₹ in Lakh)





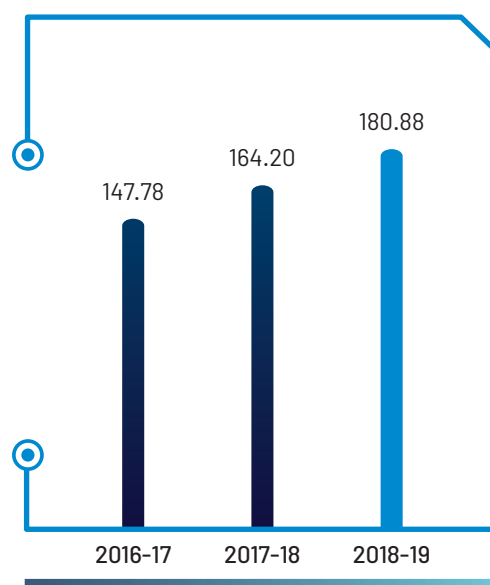
## NET WORTH

(₹ in Lakh)



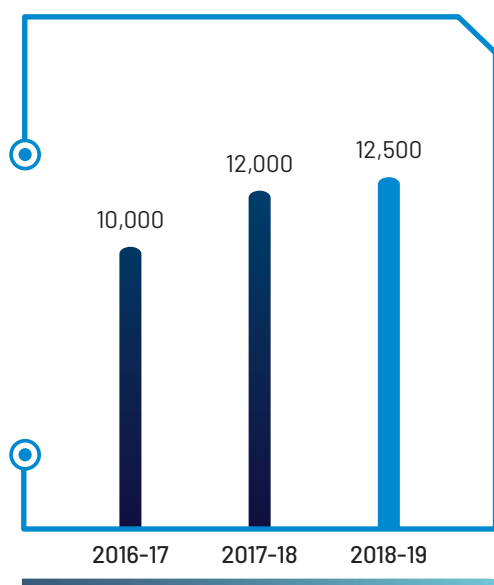
## EMPLOYEE PRODUCTIVITY

(₹ in Lakh)



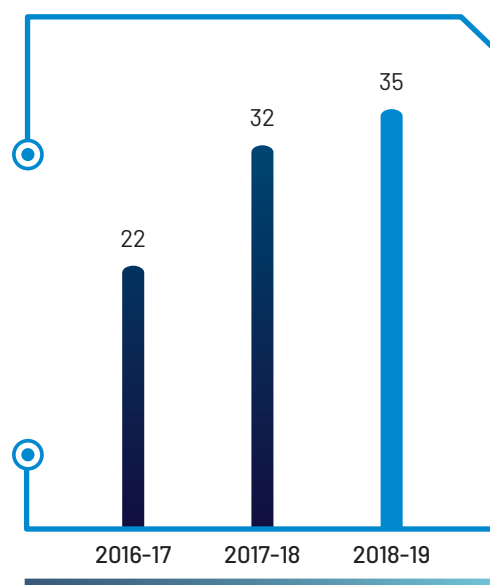
## CUSTOMER GROWTH

(In nos.)



## COMPUAGE'S GROWING BRAND ASSOCIATION

(In nos.)







# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### MR. ATUL H. MEHTA

(DIN: 00716869)

Chairman & Managing Director

### MR. BHAVESH H. MEHTA

(DIN: 00740861)

Whole-time Director

### MR. GANESH. S. GANESH

(DIN: 00010877)

Independent Director

### MRS. PREETI TRIVEDI

(DIN: 00179479)

Independent Director

### MR. VIJAY AGARWAL

(DIN: 00058548)

Independent Director

### MRS. FATIMA HUSSAINI NASAB

(DIN: 08507217)

Additional Director w.e.f 13<sup>th</sup> July 2019

## KEY MANAGERIAL PERSONNEL

### MR. SUNIL MEHTA

Chief Financial Officer

### MS. DISHA SHAH

Company Secretary

## STATUTORY AUDITORS

### M/S. BHOGILAL C. SHAH AND CO.

Chartered Accountants

## SECRETARIAL AUDITOR

### MR. VIRENDRA BHATT

Practising Company Secretary

## BANKERS

Bombay Mercantile Co-op. Bank Limited

Central Bank of India

DOHA Bank

HDFC Bank Limited

IDBI Bank Limited

IDFC Bank

Indian Bank

Kotak Mahindra Bank

Punjab National Bank

## BRANCHES/WAREHOUSES/ SERVICE CENTERS /SALES OFFICE

Agartala (Tripura ), Agra, Ahmedabad, Amritsar, Aurangabad, Bengaluru, Baroda, Bhillai, Bhubaneswar, Bhopal, Buldhana, Burdwan, Chalakudy, Chandigarh, Chennai, Coimbatore, Cochin, Calicut, Dehradun, Delhi, Ghaziabad, Goa, Guwahati, Gurgaon, Gwalior, Hubli, Hyderabad, Indore, Jabalpur, Jaipur, Jalgaon, Jammu, Jamshedpur, Jorhat (Assam), Kandivali, Kannur, Kanpur, Kazhakuttom, Kolkata, Kollam, Kottayam, Lucknow, Ludhiana, Mangalore, Madurai, Midnapore, Mumbai, Muzaffarpur, Nagpur, Nasik, Palakkad, Parwanoo, Patna, Puducherry, Pune, Raipur, Ranchi, Rajkot, Silchar (Assam), Siliguri, Surat, Tinsukia (Assam), Thiruvananthapuram, Varanasi, Vasai, Vashi, Vizag, Vijayawada, Washim and overseas branch at Singapore and sales office at Sri Lanka.

## REGISTRAR & SHARE TRANSFER AGENT

### LINK INTIME INDIA PRIVATE LIMITED

C 101, 247 Park,

L.B.S. Marg, Vikhroli (West),

Mumbai - 400 083.

Tel.: +912249186270 Fax: +912249186060

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## E-WASTE MANAGEMENT

In order to resolve the E-waste issue, the Company has tied -up with the M/s. E-WASTE RECYCLERS INDIA for collection of all the E-waste across the country and disposal of the same at their plant at Uttar Pradesh. In order to dispose the e-waste, the customer can reach out to the Company.

The Company's representatives explain them about process of disposal and make them aware about the nearest drop point available to drop the e-waste. Further, they also give information about the incentives that we could offer them against their end of life product.

If any customer wants to handover the material from their doorsteps, the Company sends either their logistics team or M/s. E-WASTE RECYCLERS INDIA team to collect the items and channelises the same to the e-waste partner plant for final processing.

## Go Green, Think Green

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

# Directors' Report

Dear Members,

Your Directors hereby present the 20<sup>th</sup> Annual Report on the business and operations of your Company along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2019.

## FINANCIAL HIGHLIGHTS:

The highlights of the Financial Results are as tabulated below:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Revenue from Operations & Other Income	453124.28	408939.80	4,53,136.64	408939.80
Less: Expenses	443779.32	400454.64	443781.12	400478.80
Profit before Interest, Taxation & Depreciation	9344.96	8485.16	9355.52	8461.00
Less: Finance Costs	5425.88	4949.93	5425.88	4949.93
Less: Depreciation	414.22	340.91	414.22	342.14
<b>Profit before Tax</b>	<b>3504.86</b>	<b>3194.32</b>	<b>3515.42</b>	<b>3168.92</b>
Less: Tax Expense	1246.52	1139.95	1246.52	1139.95
<b>Profit after Tax Provision</b>	<b>2258.34</b>	<b>2054.37</b>	<b>2268.90</b>	<b>2028.97</b>
Less: Other Comprehensive Income	-	-	-	0.06
Balance brought forward	10616.57	8844.99	10682.66	8936.56
<b>Amount available for Appropriation:</b>	<b>12646.46</b>	<b>10899.36</b>	<b>12723.11</b>	<b>10965.47</b>
Less: Dividend				
Dividend for Financial year 2017-2018	-	234.96	-	234.96
Dividend Tax for Financial year 2017-2018	-	47.83	-	47.83
Proposed Dividend	234.96	234.96	234.96	234.96
Dividend Distribution Tax	47.83	47.83	47.83	47.83
<b>Less: Unrealised Profit</b>	-	-	-	-
<b>Less: Foreign Currency Translation Reserve</b>	-	-	-	-
<b>Less: Minority Interest</b>	-	-	-	-
Balance Carried to Balance Sheet	12363.67	10616.57	12440.32	10682.74
EPS (Basic)	3.48	3.50	3.49	3.45
EPS (Diluted)	3.48	3.50	3.49	3.45

## BUSINESS PERFORMANCE:

### Standalone:

The Company registered increase in revenue by 10.80%. The Company's revenue increased to ₹ 453124.28 Lakh as compared to ₹ 408939.80 Lakh in the previous year marking an increase by ₹ 44184.48 Lakh. The Company's Net Profit after Tax stood at ₹ 2258.34 Lakh as compared to ₹ 2054.37 Lakh in the previous year recording an increase of 9.93%.

### Consolidated:

The consolidated increase in revenue was 10.81%. Our consolidated revenue has grown to ₹ 453136.64 Lakh as compared to ₹ 408939.80 Lakh in the previous year. The Company's Net Profit after Tax stood at ₹ 2268.90 Lakh as compared to ₹ 2028.91 Lakh in the previous year and thus Net Profit recorded a growth rate of 11.83%. Overall the year gone

by has been good and your Directors are hopeful of favourable time in future too.

### DIVIDEND:

For the financial year 2018-19, your Directors have recommended a dividend of ₹ 0.40 paise per share on face value of ₹ 2/- per share of the Company, i.e. 20 per cent of the face value. 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.



## Directors' Report (Contd.)

### BUSINESS STRATEGY:

Compuage is a leading technology products distribution company in India by technology products primarily, we carry the IT and mobility products and services. 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.
- Increase our reach and penetration from 800 cities and 12000 partners to 1000 cities and 15000 partners by 2020.
- 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 organisational structure and processes which helps in aligning and meeting strategic goals.
- Materially enhancing the efficiency of our work delivery processes through good planning, flexibility amongst our workforce and utilising available technology and field tools.
- Ensuring the overall safety of our people, recruiting, training and retaining the best people and delivering on shareholder.

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 as the 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 Indian Accounting Standards (Ind AS). 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:

During the year under review, the Company increased its Authorised Share Capital as tabulated below:

Sr. No.	Particulars	Previous Capital (in ₹)	Revised Capital (in ₹)
1.	96270000 Equity Shares of ₹ 2/- each	192540000.00	192540000.00
2.	4665600 Preference Shares of ₹ 0.10 paisa each	466560.00	466560.00
3.	11000000 Preference Shares of ₹ 10/- each (PY 3369344 Preference Shares)	33693440.00	110000000.00
	<b>Total Authorised Capital</b>	<b>226700000.00</b>	<b>303006560.00</b>

## Directors' Report (Contd.)

Further, the Board of Directors at its meeting held on 30<sup>th</sup> March 2019 allotted 6235811 Equity Shares at ₹ 27/- each (including premium of ₹ 25/- each) aggregating to ₹ 168366897/- to Promoters and Non-Promoters under Preferential Issue Mode. The Company is in process of obtaining listing and trading approval from the Stock Exchanges.

Also, at the same Board meeting, the Board Members, subject to Members approval via Postal Ballot, approved to issue 10000000 Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each aggregating to ₹ 100000000/- to Karvy Capital Limited Demeter Portfolio on Private Placement basis. The Members, subsequently, approved to issue and allot the said shares on 7<sup>th</sup> May 2019. Thereafter, the Board at its meeting held on 10<sup>th</sup> May 2019 allotted 10000000 Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each aggregating to ₹ 100000000/- to Karvy Capital Limited Demeter Portfolio.

### LIQUIDITY:

We maintain sufficient liquidity 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. As on 31<sup>st</sup> March 2019, the Board consists of 5 members, two of whom are Executive Directors and 3 are Non-executive Directors. There has been no change in the Board composition during the financial year.

However, the tenure of following Independent Directors ceases on 22<sup>nd</sup> August 2019:

- Mr. Ganesh S. Ganesh
- Mrs. Preeti Trivedi
- Mr. Vijay Agarwal

In this connection, the Board at its meeting held on 13<sup>th</sup> July 2019 recommended re-appointment of Mr. Ganesh S. Ganesh and Mr. Vijay Agarwal as Non-Executive Independent Directors for second term of 5 consecutive years w.e.f. 23<sup>rd</sup> August 2019 to 22<sup>nd</sup> August 2024 at this AGM. Mrs. Preeti Trivedi expressed her unwillingness to be reappointed as Independent Director for second term.

Further, the Board, based on the recommendation of Nomination and Remuneration Committee, has appointed Mrs. Fatima Hussaini Nasab (DIN: 08507217) as an Additional Non-Executive Independent Director. The Board has, further, recommended her appointment as Non-Executive

Independent Director to the Members.

Their brief profile is forming part of notice convening this Annual General Meeting.

### 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 – 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.



## Directors' Report (Contd.)

### BOARD MEETINGS:

The Board met fifteen 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 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, Annexure B. 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 in Form MGT-9 is available on the website of the Company at <http://www.compuageindia.com/annual-reports.html>

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

Particulars	Standalone and Consolidated	
	Current Year (in ₹)	Previous Year (in ₹)
Foreign Exchange Earnings	13375.57	13746.16
Foreign Exchange Outgo	13333.81	13721.26

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

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

### 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.

### 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 forms part of the Boards' Report.

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

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

#### A. Conservation of energy:

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

#### B. Technology absorption:

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

### 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 and credible leadership. The Company has a structured induction process for 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 organisation.

## Directors' Report (Contd.)

### 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 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	83.65:1
2.	Mr. Bhavesh H. Mehta	Whole-time Director	83.65:1
3.	Mr. Ganesh Shiva Ganesh	Non-Executive & Independent Director	NA
4.	Mrs. Preeti Trivedi	Non-Executive & Independent Director	2.49:1
5.	Mr. Vijay Agarwal	Non-Executive & Independent Director	1.99:1

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

Sr. No.	Name of the Directors	Designation	% increase in remuneration
1.	Mr. Atul H. Mehta	Chairman and Managing Director	NIL
2.	Mr. Bhavesh H. Mehta	Whole-time Director	NIL
3.	Mr. Ganesh Shiva Ganesh	Non-Executive & Independent Director	NA
4.	Mrs. Preeti Trivedi	Non-Executive & Independent Director	NIL
5.	Mr. Vijay Agarwal	Non-Executive & Independent Director	NIL
6.	Mr. Sunil Mehta	Chief Finance Officer	NIL
7.	Ms. Disha Shah	Company Secretary	12.00%

**iii. The percentage increase in the median remuneration of employees in the financial year: 14%**

**iv. The number of permanent employees on the rolls of Company: 856**

**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 for the salaries of employees other than the managerial personnel increased by 14.00%.

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





## Directors' Report (Contd.)

### 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 (58)	Chairman & Managing Director, Specialized in Finance & Strategic Planning (16.06.2000)	MBA – U.S.A (29)	1,68,00,000/- (w.e.f. 08.09.2017)	Contractual	Brother of Mr. Bhavesh Mehta, Whole-time Director
Bhavesh H. Mehta (46)	Whole-time Director, Specialized in Imports & Logistics (18.10.2000)	M.Com (22)	1,68,00,000/- (w.e.f. 18.10.2017)	Contractual	Brother of Mr. Atul Mehta, Managing Director

Note:

- The above amount does not include provision of gratuity.

#### 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 had 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. The Board believes that change in Internal Auditors will ensure conduct of audit more fair and transparent, hence, the Board at its meeting held on 16<sup>th</sup> May 2019 appointed M/s. H. Rajen & Co., Chartered Accountants, having firm Reg. No.108351W as Internal Auditors for financial year 19-20.

#### AUDITORS:

The Company had appointed M/s. Bhogilal C. Shah & Co. having Firm Registration no.101424W, as the Statutory Auditors of the Company who shall hold the office for a period of 5 consecutive years from the conclusion of 18<sup>th</sup> Annual General Meeting till the conclusion of 23<sup>rd</sup> Annual General Meeting of the Company to be held in 2022. The requirement for annual ratification of Auditor's appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on 7<sup>th</sup> May, 2018. During the year, the Auditors' have confirmed that they satisfy the independence criteria required under Companies Act, 2013.

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

The Auditors' Report forms part of this report. There are no qualifications, reservations or adverse remarks made by M/s. Bhogilal C. Shah & Co., Statutory Auditors, in their report for the financial year ended 31<sup>st</sup> March 2019. Hence, the report is self-explanatory.

#### SECRETARIAL AUDITOR:

The Board of Directors have appointed Mr. Virendra G. Bhatt, Practicing Company Secretary, Mumbai, to conduct Secretarial Audit for the financial year 2018-19, 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 2018-19, forms part of the Report in Annexure G.

There are no qualifications, reservations or adverse remarks made by Practicing Company Secretary, in their report for the financial year ended 31<sup>st</sup> March 2019. 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 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.



## Directors' Report (Contd.)

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 in Annual Report in Annexure H.

### 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.

### STAKEHOLDERS 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.

### FAMILIARISATION PROGRAMME:

The Familiarisation Programme for Independent Directors aims to provide them an opportunity to familiarise 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 31<sup>st</sup> March 2019, 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 31<sup>st</sup> March 2019 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 31<sup>st</sup> March 2019 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:

During the financial year under review, the Company accepted Fixed Deposits from its Members and from Public, in accordance with the provisions of Section 73 and 76, and other applicable provisions of Companies Act, 2013 and the Companies(Acceptance of Deposits) Rules, 2014.



## Directors' Report (Contd.)

The details relating to deposits in terms of Rule 8(5)(v) of the Companies (Accounts) Rules, 2014 are given here under:

Sr. No.	Particulars	Amount (₹ in Lakh)
1.	Deposits accepted during the year from Members and/or Public	164.50
2.	Deposits repaid during the year to Members and/or Public	694.50
3.	Deposits outstanding as at 31 <sup>st</sup> March 2019	241.00
4.	Deposits remaining unpaid or unclaimed at the end of the year	0
5.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year, and if so, number of such cases and the total amount involved :-	
	i. At the beginning of the year	NA
	ii. Maximum during the year	NA
	iii. At the end of the year	NA
6.	Details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.	NA

### 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 organisational response.
- Build and strengthen a culture of transparency and trust.
- Provide protection against victimisation.

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:

The Board was in need of funds and at its Meeting held on 30<sup>th</sup> March 2019 approved and recommended its Shareholders to raise funds under Private Placement mode by issue of 1,00,00,000 Cumulative Non-convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each amounting to ₹ 10,00,00,000/- to Karvy Capital Limited Demeter Portfolio to meet its general corporate ends. The Shareholders approved the said issue vide Postal Ballot concluded on 6<sup>th</sup> May 2019. These shares were credited to the eligible Shareholder. In the aforesaid matter, the Board had executed an agreement which requires alteration to the Articles of Association of the

Company to the extent of inclusion of negative covenants. The Board has approved and recommends the Shareholders to approve the same, the briefs are forming part of notice convening this Annual General Meeting.

Apart from above, there was no material change 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

**Compuage Infocom Limited**

**Sd/-**

**Atul H. Mehta**

**Chairman and Managing Director**

**Place:** Mumbai

**Date:** 13<sup>th</sup> July 2019

### Registered Office:

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

# Annexure A

## FORM AOC-I

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY

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

The financial performance of the Subsidiary Company included in the Consolidated Financial Statements is detailed below:

1.	Name of the Subsidiary	:	Compuage Infocom (S) Pte. Ltd.
2.	Turnover		
	Current Period	:	Nil
	Previous Period	:	Nil
	Growth (%)	:	Not applicable
3.	Profit/(Loss) Before Tax		
	Current Period	:	₹ 10.57 Lakh
	Previous Period-	:	₹ (26.44) Lakh
	Growth (%)	:	139.98%
4.	Profit/(Loss) After Tax		
	Current Period-	:	₹ 10.57 Lakh
	Previous Period-	:	₹ (26.44) Lakh
	Growth (%)	:	139.98%

## 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 = 69.15 INR
6.	Share Capital	₹ 69.15 Lakh
7.	Reserves and Surplus	₹ 47.67 Lakh
8.	Total Assets	₹ 567.39 Lakh
9.	Total Liabilities	₹ 567.39 Lakh
10.	Investments	Nil
11.	Turnover	Nil
12.	Profit before taxation	₹ 10.57 Lakh
13.	Provision for taxation	Nil
14.	Profit after taxation	₹ 10.57 Lakh
15.	Proposed Dividend	Nil
16.	Extent of shareholding (in %)	100

### Notes:

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

## PART "B": ASSOCIATES AND JOINT VENTURES

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

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

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

Sd/-

**Atul H. Mehta**

**Chairman and Managing Director**

**Place:** Mumbai

**Date:** 13<sup>th</sup> July 2019



# Annexure B

## 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](http://www.compuageindia.com)

### Composition of the CSR Committee:

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

Average Net Profit of the Company for last 3 financial years	:	₹ 2696.21 Lakh
Threshold Limit (2% of the aforesaid amount)	:	₹ 53.92 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 (budget) project/program wise	Amount spent on the project/ Programme	Cumulative spend upto the reporting period	Amount spent: Direct/ through implementation agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Health / Medical			Provided medical assistance.	1005625	1005625	1005625	Directly and through NGOs/ Charitable houses
Education			Provided financial assistance to needy students.	1004160	1004160	2009785	Directly and through NGOs/ Charitable houses
Social			To bring social upliftment in the society by extending support to underprivileged children, financial support to flood victims, etc.	2869810	2869810	4900595	Directly and through NGOs/ Charitable houses

- (a) Total amount to be spent for the year: ₹ 53.92 Lakh
- (b) Amount carried forward from earlier years: Nil
- (c) Amount spent during the year: ₹ 49.01 Lakh
- (d) Amount unspent during the year: ₹ 4.92 Lakh

### \* Details of the implementing agencies:

- M P Shah Charitable Foundation
- United Way of Mumbai
- Our Children
- Inga Health Foundation
- Trade Association of Information Technology
- Malabar Hill Rotary Foundation



## Annexure B (Contd.)

- World Vision
- Mumbai Gujarathi Sangathan

**In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

The Company is endeavored to ensure full utilization of the allocated CSR budget. During the year, the Committee proposed to take up long term projects and management is finding lucrative avenues. The amount which remained unspent is added to the CSR budget for the Financial Year 2019-20.

**A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company:**

The activities carried out by the Company are in compliance with the CSR objectives and policy of the Company.

For **Compuage Infocom Limited,**

**Place:** Mumbai

**Date:** 13<sup>th</sup> July 2019

**Sd/-**

**Atul Mehta**  
**Managing Director**

**Sd/-**

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



# 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 organisation. 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

The Company's corporate governance philosophy rests on the pillars of integrity and fairness, reliability and commitment, transparency, maintaining ethical standards and environmental responsibility that confirms fully with laws, regulations and guidelines. It aims to achieve business excellence and maximise shareholder value through ethical business conduct, which also includes building partnerships with all stakeholders, employees, customers, vendors, service providers, local communities and government.

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, professionalisation 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, recognise and facilitate shareholders rights and ensure timely and accurate disclosure to them.

Compuage Infocom Limited believes, 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. The Board had identified key skills, expertise, competencies that are required by the Board of Directors in the context of its business(es) and sector(s) for it to function effectively. The table below summarises the key skills, expertise and competence of the Board of Directors:

## Corporate Governance Report (Contd.)

Name of Skills, Expertise and Competence	Details
<b>Business Development</b>	Planning and developing strategies that enables sustainable growth.
<b>Industry Experience</b>	Experience in and knowledge of the industry in which the organisation operates, technical competencies resulting in knowledge of how to anticipate technological trends, generate innovation, and extend or create new business models.
<b>Sales and Marketing</b>	Building brand awareness, identifying the business SWOT and thereby enhance overall enterprise reputation.
<b>Financial Management</b>	Management of financial function of the Company resulting in proficiency in complex financial management, capital allocation and financial reporting processes and experience in actively supervising principal accounting and auditing and performing similar functions.
<b>Leadership</b>	Extending leadership experience in the organisations, strategic planning and risk management. Developing talent and driving change for long term growth.
<b>Business Judgement</b>	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems
<b>Human Resource Management</b>	Developing strategies to manage human resource and achieve change.

All the Directors 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 Independent Directors 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(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfills the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

The Company through Familiarisation Programme familiarises 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 31<sup>st</sup> March 2019 is given herein below:

Name of Director	Designation	No. of Directorship in other Public Ltd. Companies	Other Companies Committees		List of Directorship held in Other Listed Companies and Category of Directorship
			Membership	Chairmanship	
Mr. Atul Mehta (DIN: 00716869)	Promoter, Executive, Chairman & Managing Director	1	Nil	Nil	NA
Mr. Bhavesh Mehta (DIN: 00740861)	Promoter, Executive and Whole-time Director	Nil	Nil	Nil	NA
Mr. Ganesh S. Ganesh (DIN: 00010877)	Non-Executive & Independent Director	Nil	Nil	Nil	NA





## Corporate Governance Report (Contd.)

Name of Director	Designation	No. of Directorship in other Public Ltd. Companies	Other Companies Committees		List of Directorship held in Other Listed Companies and Category of Directorship
			Membership	Chairmanship	
Mr. Vijay Agarwal (DIN: 00058548)	Non-Executive & Independent Director	7	7	1	<ul style="list-style-type: none"> <li>Themis Medicare Limited (Independent Director)</li> <li>Gujarat Themis Biosyn Ltd (Independent Director)</li> <li>MEP Infrastructure Developers Ltd. (Independent Director)</li> <li>RKN Retail Private Ltd. (Independent Director)</li> </ul>
Mrs. Preeti Trivedi (DIN: 00179479)	Non-Executive & Independent Director	1	1	Nil	<ul style="list-style-type: none"> <li>Gujarat Themis Biosyn Limited (Independent Director)</li> </ul>

### Notes :

- 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 Obligation and Disclosure Requirement) Regulation, 2015, Memberships/ Chairmanships of only Audit Committee 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 Obligation and Disclosure Requirement) Regulation, 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 terms 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 schedule. 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, 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 2018-19, the Board met fifteen times. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Listing Regulations.

## Corporate Governance Report (Contd.)

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

**11<sup>th</sup> April 2018 :: 4<sup>th</sup> May 2018 :: 21<sup>st</sup> June 2018 :: 4<sup>th</sup> July 2018 :: 14<sup>th</sup> July 2018 :: 10<sup>th</sup> August 2018 :: 1<sup>st</sup> September 2018 :: 1<sup>st</sup> October 2018 :: 2<sup>nd</sup> November 2018 :: 10<sup>th</sup> December 2018 :: 3<sup>rd</sup> January 2019 :: 31<sup>st</sup> January 2019 :: 13<sup>th</sup> February 2019 :: 28<sup>th</sup> March 2019 :: 30<sup>th</sup> March 2019.**

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	15	15	Yes
Mr. Bhavesh Mehta (DIN: 00740861)	Brother of Mr. Atul Mehta	15	15	Yes
Mr. Ganesh S. Ganesh (DIN: 00010877)	#	15	15	No
Mr. Vijay Agarwal (DIN: 00058548)	#	15	5	Yes
Mrs. Preeti Trivedi (DIN: 00179479)	#	15	4	No

# There is no relationship among any of the Directors.

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

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and 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 31<sup>st</sup> March 2019 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,

D. Corporate Social Responsibility Committee,

### A. AUDIT COMMITTEE

#### a) Composition of 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 28<sup>th</sup> September 2018 and Mr. Vijay Agarwal, Authorised Representative of Mr. Ganesh S. Ganesh represented as 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



## Corporate Governance Report (Contd.)

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 utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism;
- Approval of appointment of CFO;
- The audit committee may call for the comments of the auditors about internal

## Corporate Governance Report (Contd.)

- 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 letter / 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	6	6
Mr. Vijay Agarwal	Non-Executive Independent Director	Member	6	6
Mrs. Preeti K. Trivedi	Non-Executive Independent Director	Member	6	4

The Committee met 6 times during the year under review. The said meetings were held on 04.05.2018, 10.08.2018, 02.11.2018, 31.01.2019, 13.02.2019 and 29.03.2019.

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.



## Corporate Governance Report (Contd.)

- 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.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management
- 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	4	4
Mr. Vijay Agarwal	Non-Executive Independent Director	Member	4	4
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 04.05.2018, 10.08.2018, 02.11.2018, and 13.02.2019.

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. 08.09.2017 to 07.09.2020
Mr. Bhavesh H. Mehta	Whole Time Director	₹ 1,68,00,000/- p.a.	3 years w.e.f. 18.10.2017 to 17.10.2020.

### 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 Director 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	₹ 500000/-	0
Mrs. Preeti K. Trivedi	₹ 400000/-	0

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

## Corporate Governance Report (Contd.)

### Shareholding of Non-Executive Directors

Details of the Equity Shares held by Non-Executive Directors as on 31st March 2019 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 redressing 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.
- Resolving the grievances of the security holders of the listed entity including complaints related

to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company.
- 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.

During the year, Mrs. Preeti Trivedi had expressed her unwillingness to continue as Chairperson of Stakeholder Relationship Committee. The Committee considered reconstituting of Stakeholder Relationship Committee as below:

Name of Director	Category	Position
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Chairman
Mr. Atul Mehta	Chairman & Managing Director	Member
Mrs. Preeti K. Trivedi	Non-Executive Independent Director	Member

Below are the details of meetings attended by its Members under the Chairpersonship of Mrs. Preeti Trivedi:

Name of Director	Category	Position	No. of meetings	
			Held	Attended
Mrs. Preeti K. Trivedi	Non-Executive Independent Director	Chairperson	2	2
Mr. Atul Mehta	Chairman & Managing Director	Member	2	2
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Member	2	2



## Corporate Governance Report (Contd.)

Below are the details of meetings attended by its Members under the Chairmanship of Mr. Ganesh S. Ganesh:

Name of Director	Category	Position	No. of meetings	
			Held	Attended
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Chairman	2	2
Mr. Atul Mehta	Chairman & Managing Director	Member	2	2
Mrs. Preeti K. Trivedi	Non-Executive Independent Director	Member	2	2

- a) The Stakeholders' Relationship Committee met 4 times during the financial year on 04.05.2018, 10.08.2018, 02.11.2018 and 13.02.2019.
- The Company Secretary is designated as the "Compliance Officer" who oversees the redressing of the investors' grievances.
- b) The Company has also appointed Link Intime India 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 2018-19 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing
Nil	2	2	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 04.05.2018, 10.08.2018, 02.11.2018, and 13.02.2019.
- The details of the CSR initiatives of the Company forms 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:
- [https://www.compuageindia.com/share\\_pdf/CSR\\_POLICY.pdf](https://www.compuageindia.com/share_pdf/CSR_POLICY.pdf)

### Subsidiary Companies:

Compuage 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 10% 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.



## Corporate Governance Report (Contd.)

### 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 Business
2018-19	EGM	01.03.2019	10:00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034	1. Increase in Authorised Share Capital and Consequential Alteration of Capital Clause of Memorandum of Association; 2. Issue upto 62,35,811 Equity Shares on Preferential Issue basis; 3. Issue upto 1,00,00,000 Optionally Convertible Preference Shares on Preferential Issue basis.
2017-18	19 <sup>th</sup> AGM	28.09.2018	10:00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034	1. Appointment of Branch Auditors and fix their remuneration; 2. Approve the aggregate annual remuneration payable to the Promoter- Executive Directors /Members of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013
2016-17	18 <sup>th</sup> AGM	23.09.2017	10:00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034	1. Re-appointment of Mr. Atul H. Mehta (DIN: 00716869) as Managing Director 2. Re-appointment of Mr. Bhavesh H. Mehta (DIN: 00740861) as Whole-time Director 3. Shareholders request on service of documents
2015-16	17 <sup>th</sup> 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

#### Postal Ballot:

During the year, there was no resolution passed through Postal Ballot. However, the Board at its meeting held on 30<sup>th</sup> March 2019 recommended Members to approve the issue and allotment of 1,00,00,000; 9% Cumulative Non-convertible Compulsorily Redeemable Preference Shares (CNCRPS) having face value of ₹ 10/- (Rupees Ten only) each at par, aggregating to ₹ 10,00,00,000/- (Rupees Ten Crore only) in one or more tranches to Karvy Capital Limited A/C Demeter Portfolio under Private Placement mode and ratification pertaining to disclosures in the explanatory statement of the Extra Ordinary General Meeting (EGM) notice dated 31<sup>st</sup> January 2019 (Special Resolutions). The Postal Ballot process commenced on 7<sup>th</sup> April 2019 and concluded on 6<sup>th</sup> May 2019. Mr. Virendra Bhatt, Practicing Company Secretary was appointed as Scrutiniser to conduct the said Postal Ballot process in fair and transparent manner. He submitted the combined results of Postal Ballot and E-voting alongwith his report on 7<sup>th</sup> May 2019 to Atul H. Mehta, Chairman and Managing Director and the results were declared on the same day. The date of passing the resolution was 6<sup>th</sup> May 2019.

#### 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 usually published in Business Standard having nationwide circular and in Mumbai Lakshadeep having regional circular. The results are also submitted to Stock Exchanges in accordance with the Listing Regulations.

**II. Website:** The Company's website [www.compuageindia.com](http://www.compuageindia.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 (Contd.)

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:** National Stock Exchange of India 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:

21<sup>st</sup> August 2019 at 10.00 a.m.

Venue:

Hotel Bawa International, Near Domestic Airport, Next to Orchid Hotel, Vile Parle East, Mumbai - 400 099.

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

16<sup>th</sup> May 2019

#### 3. Book Closure Date:

14<sup>th</sup> August 2019 to 21<sup>st</sup> August 2019 (both days inclusive)

#### 4. Dividend Payment Date:

On or after 22<sup>nd</sup> August 2019

#### 5. Financial year:

1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019

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

19<sup>th</sup> August 2019 upto 10.00 a.m.

#### 7. Registered Office:

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

## Corporate Governance Report (Contd.)

### 11 Stock Price Data:

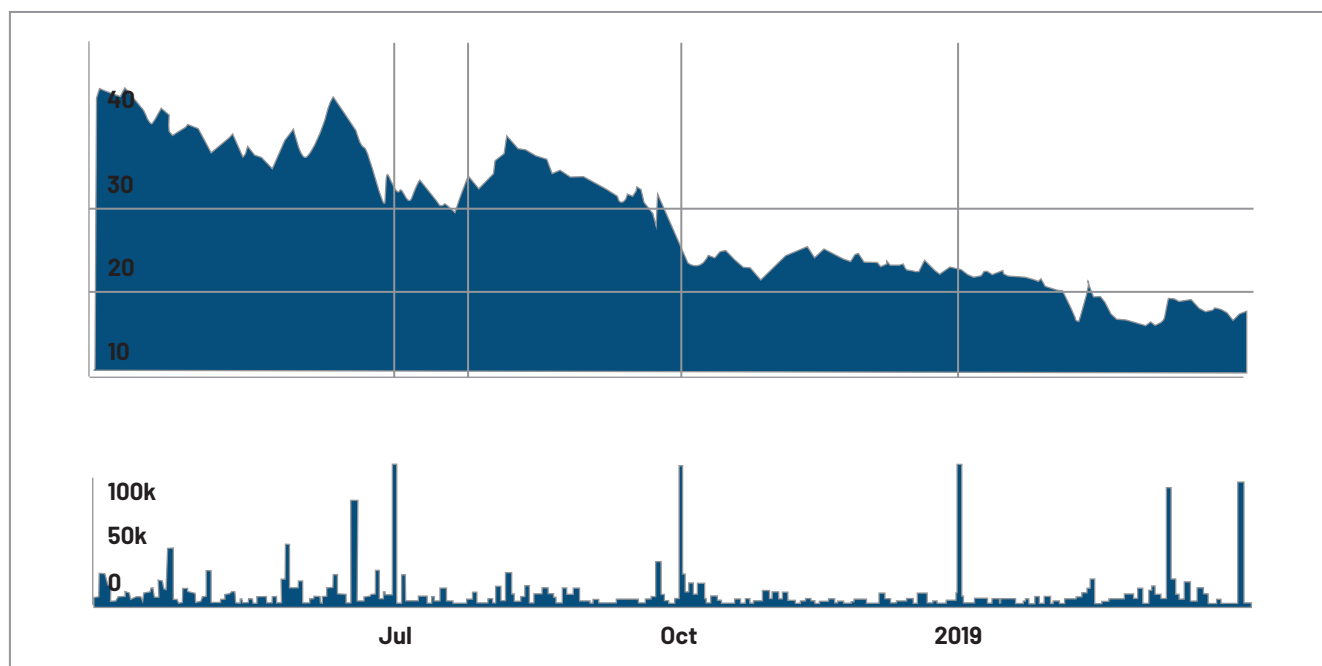
The monthly movement of equity share prices during the year at BSE and National Stock Exchange of India Limited (NSE) is summarised below:

Month	Monthly Share Price movement during the financial year ended 31 <sup>st</sup> March 2019 at BSE		Monthly Share Price movement during the financial year ended 31 <sup>st</sup> March 2019 at NSE	
	*BSE		*NSE	
	High	Low	High	Low
April 2018	45.90	37.95	46.00	37.95
May 2018	41.60	34.25	41.30	34.25
June 2018	44.30	30.20	44.00	29.20
July 2018	35.50	29.00	36.30	28.25
August 2018	41.00	32.50	41.90	32.70
September 2018	35.70	26.25	37.00	26.85
October 2018	26.75	21.20	28.95	20.75
November 2018	25.80	23.00	25.50	22.50
December 2018	24.70	21.00	26.00	20.40
January 2019	24.00	18.00	22.95	18.50
February 2019	22.20	15.30	22.35	15.15
March 2019	19.95	16.00	19.95	15.95

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 Identification 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 **2019-20** have been paid by the Company to NSDL and CDSL.



## Corporate Governance Report (Contd.)

### 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 authorised 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 2019:

Shareholding of Nominal Value	Shareholders		Shares Amount	
Nos.	Nos.	%	in ₹	%
1 - 1,000	5419	68.37	2109924	1.62
1,001 - 2,000	1085	13.69	1794668	1.38
2,001 - 4,000	598	7.54	1872924	1.44
4,001 - 6,000	208	2.62	1088104	0.84
6,001 - 8,000	151	1.90	1100310	0.85
8,001-10,000	108	1.36	1031550	0.79
10,001 - 20,000	144	1.82	2235282	1.72
20,001 and above	213	2.69	118718850	92.36
<b>Total</b>	<b>7926</b>	<b>100.00</b>	<b>129951612</b>	<b>100.00</b>

### (ii) Category of Shareholdings as on 31st March 2019:

Category	No. of shares	% of Shareholding
Promoters & Promoters Group	3,79,02,990	58.33
Clearing Member	3,26,575	0.50
Foreign Company	1,64,175	0.25
Foreign Portfolio Investor (Corporate)	59,81,388	9.21
Foreign Portfolio Investor (Individual)	4,80,251	0.74
Hindu Undivided Family	3,58,987	0.55
Investor Education and Protection Fund	5,71,665	0.88
Directors	1,255	0.00
Market Maker	320	0.00
Nationalised Banks	320	0.00
Non Nationalised Banks	725	0.00
Non Resident (Non Repatriable)	3,86,351	0.59

## Corporate Governance Report (Contd.)

Category	No. of shares	% of Shareholding
Non Resident Indians	13,15,573	2.20
Other Bodies Corporate	30,96,069	4.76
Public	1,43,89,162	22.15
<b>Total</b>	<b>6,49,75,806</b>	<b>100.00</b>

### 17. Financial Release Dates:

Quarter	Release Date (Tentative and subject to change)
<b>1st Quarter ending 30th June</b>	Mid of August 2019
<b>2nd Quarter ending 30th September</b>	Mid of November 2019
<b>3rd Quarter ending 31st December</b>	Mid of February 2019
<b>4th Quarter ending 31st March</b>	Mid of May 2020

### 18. Dematerialisation of shares and liquidity and Lock-in of Shares:

#### (a) Dematerialisation Position as on 31<sup>st</sup> March 2019:

Total No. of fully paid up Shares	No. of Listed Shares	Shares in Demat Form of the listed shares	Percentage %	Shares in Physical Form of the listed shares	Percentage %
64975806	58739995	58230265	98.16	509730	1.84

The Board at its meeting held on 30<sup>th</sup> March 2019 allotted 62,35,811 Equity Shares of the Company. The said shares are in process of listing application to the Stock Exchanges and hence, credit of the said Equity Shares can be effectuated to the accounts of allottees, after receipt of requisite approvals only.

Apart from above, rest of the shares of the Company are traded in dematerialised 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:

- i) Below are the details of pre-preferential shareholding of the allottees whose shares are locked-in as per Regulation 167(6) of SEBI (ICDR) Regulations, 2018 and amendments thereof:

Names of the allottee	Shareholding immediately prior to the allotment	Qty locked in	Lock-in details	
			From	To *
Bhavesh Harkishandas Mehta Jt. Forum Bhavesh Mehta	1,42,43,880	1,42,43,880	5 <sup>th</sup> February 2019	15 <sup>th</sup> February 2020
Atul Harkishandas Mehta Jt. Falguni Atul Mehta	1,42,43,870	1,42,43,870	5 <sup>th</sup> February 2019	15 <sup>th</sup> February 2020
Ajay Harkishandas Mehta Jt. Manisha Mehta	40,00,000	40,00,000	5 <sup>th</sup> February 2019	15 <sup>th</sup> February 2020
Ajay H. Mehta	36,23,870	36,23,870	1 <sup>st</sup> February 2019	15 <sup>th</sup> February 2020
Sunil Mahendrakumar Mehta Jt. Kamal Mahendrakumar Mehta	800	800	5 <sup>th</sup> February 2019	15 <sup>th</sup> February 2020
Harjivan Muljibhai Darji Jt. Shakuntala Darji	2,235	2,235	5 <sup>th</sup> February 2019	15 <sup>th</sup> February 2020



## Corporate Governance Report (Contd.)

- ii) Below are the shares allotted under the preferential issue of which lock-in details shall commence from the Trading Approval:

Name of the Allottee	No. of Equity shares allotted	Lock-In details upto (1 Year/ 3 Years) from the date of Latest Trading Approval
Bhavesh Harkishandas Mehta Jt. Forum Bhavesh Mehta	7,10,500	Three years from the last date of trading approval from all the Stock Exchanges
Atul Harkishandas Mehta Jt. Falguni Atul Mehta	7,10,500	Three years from the last date of trading approval from all the Stock Exchanges
Ajay Harkishandas Mehta Jt. Manisha Mehta	1,90,370	Three years from the last date of trading approval from all the Stock Exchanges
Ajay H. Mehta	1,80,000	Three years from the last date of trading approval from all the Stock Exchanges
Dilip S. Mehta	16,66,666	One year from the last date of trading approval from all the Stock Exchanges
Aahad Jagmagia	92,592	One year from the last date of trading approval from all the Stock Exchanges
Khadija Jagmagia	3,70,370	One year from the last date of trading approval from all the Stock Exchanges
Suketu Sanghvi	7,40,740	One year from the last date of trading approval from all the Stock Exchanges
Pravin Vutukuri	11,11,111	One year from the last date of trading approval from all the Stock Exchanges
Sunil Mahendrakumar Mehta Jt. Kamal Mahendrakumar Mehta	3,51,851	One year from the last date of trading approval from all the Stock Exchanges
Harjivan Muljibhai Darji Jt. Shakuntala Darji	1,11,111	One year from the last date of trading approval from all the Stock Exchanges

### 19. Outstanding GDRs/ADRs:

The Company has not issued any GDRs/ADRs, therefore question of outstanding GDRs / ADRs, etc. as at the end of 31<sup>st</sup> March 2019 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](mailto:investors.relations@compuageindia.com)

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

### (i) Registrar & Share Transfer Agent:

#### LINK INTIME INDIA PRIVATE LIMITED

C 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](mailto: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.

## Corporate Governance Report (Contd.)

### 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
2011-12 (Final)	30.08.2012	28.10.2019
2012-13 (Final)	07.09.2013	07.11.2020
2013-14 (Final)	23.08.2014	21.10.2021
2014-15 (Final)	25.09.2015	23.11.2022
2015-16 (Final)	24.09.2016	24.11.2023
2016-17 (Final)	23.09.2017	25.11.2024
2017-18 (Final)	28.09.2018	02.12.2025

### 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 victimisation 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.

### 24. Below is the details of the credit rating obtained during the financial year:

Facility	Amount (₹ in Crore)	Rating	Remarks
Long-term Bank Facilities (FB)	200.50	CARE A-;Negative [Single A Minus; Outlook: Negative]	LT rating reaffirmed and outlook revised from Stable to Negative
Short-term Bank Facilities (NFB)	480.05	CARE A2+ [A Two Plus]	Reaffirmed

### DISCLOSURES:\

- Transactions with related parties, are disclosed in notes to accounts annexed to the financial statements.
- 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. Required disclosure has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at [www.compuageindia.com](http://www.compuageindia.com)
- 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.
- No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three year under review.





## Corporate Governance Report (Contd.)

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.

- e) Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. [www.compuageindia.com](http://www.compuageindia.com)
- f) During the year ended 31<sup>st</sup> March 2019, 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 under Regulation 16 of the Listing Regulation and the same is disclosed on the Company's website viz. [www.compuageindia.com](http://www.compuageindia.com).
- g) 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.
- h) The funds raised through preferential allotment as specified under Regulation 32 (7A) is utilised by the Company for general corporate purposes.
- i) A certificate from a Company Secretary in practice is annexed herewith as a part of report in Annexure C that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.
- j) During the financial year, there has been no such case where any recommendation of any committee of the Board was not accepted by the Board.
- k) The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part are disclosed in notes to accounts annexed to the financial statements.
- l) During the year under review, there were no complaints filed in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- m) 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.
- n) 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 E to this Report.
- o) The Company has given disclosures specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46.

## Annexure C

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
 The Members of  
 COMPUAGE INFOCOM LIMITED  
 D-601/602 & G-601/602, Lotus  
 Corporate Park, Graham Firth Steel Compound,  
 Western Express Highway, Goregaon (East),  
 Mumbai - 400063.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Compuage Infocom Limited having CIN L99999MH1999PLC135914 and having registered office at D-601/602 & G-601/602, Lotus Corporate Park, Graham Firth Steel Compound, Western Express Highway, Goregaon (East), Mumbai - 400063 (Hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March 2019 have been disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of Appointment at current Designation	Original Date of Appointment
1.	Ganesh Shiva	00010877	18.10.2000	18.10.2000
2.	Vijay Gopi Kishan Agarwal	00058548	24.06.2006	24.06.2006
3.	Preeti Kaushik Trivedi	00179479	14.08.2010	29.10.2009
4.	Atul Harkishandas Mehta	00716869	08.09.2008	08.09.2008
5.	Bhavesh Mehta	00740861	18.10.2000	18.10.2000

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Mumbai  
**Date:** 31<sup>st</sup> May 2019

**Sd/-**  
**Virendra G. Bhatt**  
**ACS No.: 1157**  
**C. P. No.: 124**



# Annexure D

## 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 31<sup>st</sup> March 2019 and that to the best of our 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 our 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. We 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 was no change in accounting policies, during the year; and
  3. There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For **Compuage Infocom Limited,**

**Place:** Mumbai  
**Date:** 16<sup>th</sup> May 2019

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

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

## Annexure E

### 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 31<sup>st</sup> March 2019 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 exchanges.

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. Bhogilal C. Shah & Co.**

**Chartered Accountants**

Firm Registration No.: 101424W

**Sd/-**

**Suril Shah**

**Partner**

Membership No.: 42710

**Place:** Mumbai

**Date:** 13<sup>th</sup> July 2019

## Annexure F

### 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.

For **Compuage Infocom Limited**

**Sd/-**

**Atul H. Mehta**

**Chairman and Managing Director**

**Place:** Mumbai

**Date:** 13<sup>th</sup> July 2019



# Annexure G

## **Form No. MR-3** **SECRETARIAL AUDIT REPORT** **FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

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

To,  
The Members,  
Compuage Infocom Limited

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

Based on my verification of the Company's statutory registers, minute books, forms and returns filed with the Registrar of Companies and other relevant records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 31<sup>st</sup> March 2019, has prima facie complied with the statutory provisions listed hereunder and also that the Company has prima facie proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined Statutory Registers, minute books, forms and returns filed with the ROC and other relevant records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2019 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 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment as applicable to the Company from time to time;
- (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;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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 31<sup>st</sup> March 2019:-

- (a) The Securities and Exchange Board of India (Issue and 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 and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) I, further report that, based on the Compliance Report of various Laws submitted by the Company, the Company has proper system to comply with the applicable laws.

I have also examined compliance with the applicable provisions of the following and I am in opinion that the Company has prima facie complied with the applicable provisions:

- (a) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.
- (b) The Listing agreements entered into by the Company with Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, I am of opinion that the Company has prima facie complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that I have not examined books of accounts and I rely on statutory auditor's reports in relation to Financial

Statement and accuracy of financial figures for Sales Tax, Value Added tax, Goods and Service Tax Act, ESIC, Provident fund, Professional Tax, Related Party Transactions, etc. as disclosed under financial statements and Accounting Standards during my 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 and Independent Directors. During the period under review, there were no changes in the constitution of the Board of Directors.

I further report that as per the information provided, prima facie adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

I further report that as per the information provided and as per minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as part of the minutes.

I further report that there are prima facie adequate systems in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines subject to observations and qualifications, if any made by Statutory Auditors in their report.

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

I further report that during the period under review, the Company has taken approval of members by passing Special Resolution for issuance of Optionally Convertible Preference Shares on Preferential Issue Basis but subsequently same has been withdrawn by the Company.

I further report that during the period under review, the Company has filed Forms required to be filed within prescribed time and some with the additional fees.

I further report that during the period under review, as per the information provided by the Company, the Compliance Officer has not granted any pre-clearance approval to any of the Designated Persons during the closure of trading window period.

I further report that during the audit period, there were no instances of:

- i. Public / Right / sweat equity, except issuance of securities via Preferential Issue;
- ii. Issue of equity shares under Employee Stock Option Scheme;
- iii. Buy-back of securities;
- iv. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs;
- v. Foreign Technical Collaborations.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my 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. Wherever 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.

**Place:** Mumbai

**Date:** 12<sup>th</sup> June 2019

**Sd/-**  
**Virendra G. Bhatt**  
**ACS No.: 1157**  
**C. P. No.: 124**



# Annexure H

## FORM NO. AOC -2

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

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

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

For **Compuage Infocom Limited**

Sd/-

**Atul H. Mehta**

**Chairman & Managing Director**

**Place:** Mumbai

**Date:** 13<sup>th</sup> July 2019



# Management Discussion and Analysis

## OVERVIEW

Through the journey of more than three decades, Compuage Infocom Limited has emerged as one of India's leading IT and Mobility products and services distribution intermediary, appearing among the Fortune 500 list of Indian companies. It has developed the strong network of resellers to spread the wave of digital connectivity across the length and breadth of the nation and beyond. Its product offerings include computers, components and peripherals, cloud computing, mobility products, enterprise solutions and physical safety and security.

The Company is headquartered at Mumbai with 40 offices and warehouses, 69 service centres, spread across 600+ cities and towns across the country. It has a strong network of 12,000+ resellers which ensures seamless distribution of products. It serves various categories of industries such as SOHO, SMB, Mid-size, Large Enterprises and Government organisations by making them ready for the unprecedented level of business performance. The Company has its global footprints over 7 countries across SAARC nations with the set-up in Singapore to manage them.

Over the years, the Company has tied up with various renowned international digital brands.

Overall, the year gone by was a good year. The Company during the year made two sign-ups, one with CBC Ganz which is into surveillance and security and another with Altec Lansing which is dealing in Bluetooth speakers, headphones and earbuds. This collaboration will, in turn, help the Company grow further in future as they will have many more products into their distribution vertical. This will, in turn, increase the number of resellers and hence the customers.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

Cloud Computing is one of the technological innovations that has revolutionised the way people run their businesses. With its pay-per-user model it has introduced a new concept of consumption and delivery in IT. It gives organisations an opportunity to enhance their business productivity and gain a competitive advantage via infrastructure-free IT. According to NASSCOM report, the growth in the usage and acceptance of Big Data, Analytics, Artificial Intelligence (AI) and Internet of Things (IoT) is likely to push India's Cloud market to a three-fold growth to USD 7.1 billion by 2022. The report also projects the Indian Software as a Service (SaaS) as a market to grow 36% annually and touch USD 3.3 to 3.4 billion by 2022. The Indian Cloud computing market is rapidly penetrating across all sizes of businesses.

## Types of cloud services

- **Software as a Service (SaaS):**  
Computing service provider offers prepared to utilise, halfway and remotely hosted web applications to clients.
- **Infrastructure as a Service (IaaS):**  
Firms outsource their IT assets and supplies, such as networking, data centre, storage and networking.
- **Platform as a Service (PaaS):**  
End to end IT arrangements are conveyed, appropriate from sourcing types of gear to setup and sending to continuous management of cloud applications.

Compuage has developed a robust business model which involves verticals such as PC, components and peripherals, Physical safety and security, Enterprise solution and Mobility products and Cloud computing.

## PRODUCT-WISE PERFORMANCE

### PC, Components and Peripherals

The Indian IT industry has been progressing steadily over the past few years. The spread and reach of computers and IT systems has helped the industry grow in leaps and bounds. The increasing level of disposable income coupled with the high level of utility and efficiencies has led to this surge amongst both corporates as well as the households. The reach of internet throughout the nation has further boosted the demand for PCs, computers, laptops and tablets.

With continuous advancement in technologies, the pricing has remained more or less stable across different versions of the equipment. Other factors that have contributed to this growth include:



## Management Discussion and Analysis (Contd.)

**Consumer awareness:** Consumers are becoming increasingly technology-conscious and are demanding products with built-in artificial intelligence.

**Niche solutions:** Numerous technology start-ups offering niche solutions in Artificial Intelligence, Machine Learning, Internet of Things, Block chain and Automation. The increased adoption of next-generation technologies by organisations is driving growth in the IT peripherals and components market.

**Favourable demography:** India has more than 50% of its population below the age of 25 and more than 65% below the age of 35. It is expected that, in 2020, the average age of an Indian will be 29 years. Due to increasing young population, there will be higher demand for the latest technology mobile phones, laptops and computers as well.

**Government initiatives:** The Government has been actively promoting Digital India to efficiently utilise the power of technology. It has been taking initiatives to promote computer education for students right from their school days.

### Cloud computing

Cloud computing is the latest technological innovation available to the aspiring organisations which provide the delivery of different services through internet. These resources include tools and applications like data storage, servers, databases, networking and software. It is an emerging field that uses internet and central remote servers to maintain data and application.

The concept is steadily gaining momentum with its acceptance across several Corporate and Government agencies. Some of the key benefits include:

**Flexible costs:** The biggest advantage of cloud-based applications is that one pays for only what they use. The initial fixed cost to have the digital set-up is also nil as there is no need to buy any additional hardware and software to run the data centres. You only need to pay for the server and infrastructure capacity as and when it is needed. More capacity can be provisioned for peak times and then de-provisioned when no longer needed.

**Trustworthiness:** With a cloud-based server, all the information uploaded to the cloud remains safe and easily accessible from any computer system with an internet connection. It also serves by backing up the data and recovering it easily and swiftly by making the business continuity an easy issue.

**Scalability:** Cloud infrastructure scales on demand to support fluctuating workloads. The amount of output required as well as the geographic location of the worksite – none are the limitations for the solution to be opted for.

**Always available:** Cloud computing services are available through a network of secure data centers globally. Most cloud providers are extremely reliable in providing their services, with many maintaining 99.99% uptime. People with active internet connection can access the data from practically anywhere. Some applications even work off-line.

**Mobility:** People can access data and applications practically from any part of the world – while at home, visiting customers at their offices, working in the field or at a plant, and many more.

**Collaboration:** Cloud applications improve collaboration by allowing dispersed groups of people to meet virtually and easily share information in real time and via shared storage. This capability can reduce time-to-market and improve product development and customer service.

### Mobility products

Mobile phones have penetrated the Indian households with a tremendous rate in the last decade. India has become a major smartphone market, and this is why leading smartphone manufacturers like Apple and Samsung consider the Eastern markets while making changes and adding new features to their devices. The quick and widespread adoption of smartphones in India has led to demand and supply deficit which could be met through increased imports, or by increasing the country's manufacturing infrastructure. With India's increased production capacity and reduced imports of smartphones, the trading partners and suppliers have shifted their focus towards servicing the infrastructure and software environment needs of the mobile market. With 5G technology now approaching, it brings a lot of new opportunities of hosting exciting new services. The boundaries between mobile and the wider digital ecosystem is rapidly disappearing with almost everything from the digital world like camera, phone, computer, scanners are getting accommodated in the mobile phone itself which is creating a lot of new opportunities for this market.

### Enterprise solutions

Digitisation has revolutionised the way corporates are adopting automation and efficiency measures. With time and technology, most of the companies are thriving to leverage the complete power of Artificial Intelligence. Companies look for one stop solutions that will serve all their requirements of infrastructure such as networking, security, software products and many more. Enterprise mobility solutions can play a crucial role in this department. Indian corporates are steadily adopting enterprise solutions supported by cloud-based infrastructure and enhanced artificial intelligence. This increasing demand will help the market grow over a long span of time.

## Management Discussion and Analysis (Contd.)

### Physical safety and security

There have been growing incidents of crime, thefts, burglary and vandalism, necessitating the need of security and surveillance. It has led to a steady surge in the installations of surveillance equipment across corporate offices, banks, hospitals, malls, shopping complexes, housing societies, retail stores, railway stations, airports and customer service departments, among others. According to a study by 6W research, India's video surveillance market is expected to witness a CAGR of nearly 13% during 2017-2023. While large enterprises had taken to such technology earlier, even smaller commercial establishments and private residents now can afford to install security systems. The prices have practically halved over the last couple of years. An entry-level camera is now available for a little over ₹ 2,000 from ₹ 6,000, four year back. Households are installing CCTVs in their homes to keep a check of their beloved ones when they are away. A strong government push to enhance public security by putting up CCTV across all the major areas, purchases for initiatives such as the Smart City project, which covers 100 cities, and the ₹ 2,219 Crore allocated under the Nirbhaya Fund for women's safety, which covers eight cities, are some of the growth drivers.

### OPPORTUNITIES AND THREATS

The technology is driving more change in the business world than ever before. It brings in its own sets of opportunities and challenges. The adoption of technology is evolving at a rapid pace on the back of positive economic outlook and increasing investments in the digital space. The economy is witnessing transformation keeping pace with the requirements of efficient IT services across businesses. As per IMRB research, India's internet user base is expected to register a double-digit growth to reach 627 Million in 2019, driven by rapid internet growth across rural areas as well as in urban areas. Compuage is favourably positioned to benefit from the emergence of IT infrastructure across corporates by leveraging its strengths of long-standing relationships with the vendors and partners, strong reach and efficient team

#### Opportunities

##### IT offerings as the need of the hour

The pace of work, education and life has made the IT offerings a part of everybody's needs and not wants. Constant upgradations has made tech-based products an everyday utility. Also, the rising per capita income is creating a lot of positive opportunities for the IT products and services.

##### Cloud computing services

The cloud computing has become the future critical aspect of the budding IT market. It is no more the prerogative of only

the large corporates but even the small to medium corporates are adopting it for its ease and simplicity.

##### Mobile penetration

On the onset of easy and cost-effective availability of internet connectivity, the number of mobile phone and smartphone users in India have grown significantly. According to Cisco's 13th annual Visual Networking Index (VNI), it is estimated that by 2022, there will be 829 Million smartphone users in India, accounting for 60% of the population. This will offer a big boost to the mobile and accessories business.

##### Need for more security and surveillance systems

The changing scope of work, the spread of customer-centric corporates such as banks, e-commerce companies are leading to more and more need of surveillance systems. The houses and housing complexes are also needing more and more such aids such as CCTV cameras for the safety reasons. This leads to a good demand for these products in the years to come.

#### Threats

##### Spread of B2C businesses in competition with B2B business

The online portals directly catering to the end users offer a lot of cost benefits to them through their portals. This leads to the stiff competition to the resellers and supplier's ode of delivery of IT products and services.

##### Capital-intensive business and stressed working capital

The nature of the business demands for lock-in of the capital at different resellers' level and it puts a burden to some extent on the working capital management cycle. The availability of credit also becomes a limiting factor at times.

### FINANCIAL PERFORMANCE

Discussions on Financial Performance have been covered more specifically in the Board's Report. In accordance with Regulation 34(3) read with Schedule V of said regulation, there has been no significant change in the key financial ratios nor has any change been noted in the Return on Net worth of the Company as compared to previous financial year.

### HUMAN RESOURCES

Human Resource (HR) function for Compuage has never been as significant as it is today. It plays a pivotal role in change management and triggers the unlocking of human potential which results in organisation transformation and success.

Our learning & development philosophy is to ensure that real learning takes place and endures. We believe that real learning takes place when a learner is able to develop a new skill, competency, behaviour and is able to internalise and apply consistently to relevant work-life situations.



## Management Discussion and Analysis (Contd.)

Compuage relies on its human capital's skillsets to generate value. Our employees are skilled across a range of industry related competencies to provide exceptional client services and functions. The Company has a workforce of [ ] employees as on 31st March 2019.

### OUTLOOK

Compuage Infocom Limited has emerged as one of the India's leading IT and Mobility products distributors. Growing strong over the years the Company has developed a robust network of resellers. The industry in 2018-19 faced many headwinds due to unavailability of finance and tighter NBFC policies. Despite this, the Company has grown 11% on year-on-year basis. Further, the Company plans to grow organically by expanding its existing customer base and inorganically through adding new brands and resellers under its umbrella. To support this, the Company has undertaken strategic growth initiatives like

supporting their resellers through presales and post sales training. The Company has also made significant sign ups in order to increase its reach and product basket.

### RISK MANAGEMENT

The IT industry is a rapidly evolving. With the fast-paced innovation comes numerous emerging risks as well. As one of the fastest-growing industries, this sector is constantly developing brand-new solutions and opening its doors to the dangers that come with newer, untried innovation. Significant developments had been made in business environment with changing developments in cyber security, information security and business continuity, data privacy and large deal executions, figuring prominently on the risk of most organisations. To effectively mitigate these risks, we have developed a risk management framework, which helps identify, prioritise and mitigate risks.

#### Major risk and initiatives for mitigation of these risks:

Risks	Mitigation
1. Information security and cyber security breaches that could result in systemic failures, losses, disclosures of confidential information	The Company has taken strong measures for countering the risks and is effectively controlling and monitoring the place. Also, improvements have been made in the previous solutions along with implementation of newer technologies.
2. Regulatory compliances covering various federal, state, local and foreign laws relating to different 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.
3. Functional and operational risks arising from various operational processes	Appropriate programmes have been developed to measure and control risk as critical business process have been involved and the effectiveness has been regularly tested under the Internal Financial Control Programmes.
4. Interest Rate Fluctuation Risk	The Company for financing its business borrows funds for meeting its short term and long-term goals. Thus, it is attached to the risks arising from interest rate fluctuations. Hence the Company regularly services its debts to protect itself from any fluctuations. It reviews its working capital loans, commercial borrowings and rupee term loan at regular intervals.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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.

Our well-defined organisation structure, policy guidelines, predefined authority levels, and an extensive system of internal controls ensure optimal utilisation and protection of resources, IT security, accurate reporting of financial transactions. It is compliant with applicable laws, regulations and policies. Compuage has designed systems and processes to provide reasonable assurance with regard to recording and providing reliable financial and operational information. The business complies with applicable statutes, executing transactions with adequate authorisation and ensuring compliance to corporate policies.

## Management Discussion and Analysis (Contd.)

- The Company has an adequate system of internal control in place to ensure that assets are safeguarded against loss from unauthorised use or disposition, and that transactions are authorised, recorded, and reported correctly.
- Periodic audits are conducted by the business for sound 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's has an exhaustive budgetary control system. Actual performance is reviewed with reference to the budget by the management on an ongoing basis.

### DISCLAIMER

Certain statements made in the management discussion and analysis report relating to the Company 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**

**Place:** Mumbai

**Date:** 13<sup>th</sup> July 2019



# Independent Auditor's Report

To,  
The Members of  
Compuage Infocom Limited

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying standalone financial statements of Compuage Infocom Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of the Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed u/s 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1.	<b>Recoverability of Balances with Government Authorities</b> Balances with Government Authorities have been disclosed under Other Current Assets.	<b>Principal Audit Procedures</b> We have reviewed the status of the applications and other corresponding documentation to check whether the balances with Government Authorities are likely to be recovered within the next financial year.
2.	<b>Provision for doubtful debts</b> All trade receivables have been considered good.	<b>Principal Audit Procedures</b> We have reviewed the status of the cases filed in the courts for recovery of outstanding dues from various customers. Customer's confirmations and financial standing have been verified and the likelihood of recoverability has been examined.

## INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



## Independent Auditor's Report (Contd.)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic

decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in





## Independent Auditor's Report (Contd.)

- (i) planning the scope of audit work and in evaluating the results of our work and
- (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTER

We have not audited the financial statements and other financial information of one of the branches located outside India.

These financial statements and financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of the foreign branch and our report in terms of section 143 (3) of the Act, insofar as it relates to the aforesaid foreign branch is based solely on the reports of the other auditors.

The financial statements and other financial information of the foreign branch which is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in that country and which has been audited by other auditors under generally accepted auditing standards applicable in that country. The Company's management has converted the financial statements of this branch located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the

Company's management. Our opinion in so far as it relates to the balances and affairs of the branch located outside India is based on the reports of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### 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 paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of its foreign branch, as noted in the "other matters" paragraph, 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;
  - (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 (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flow 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 Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) on the basis of the written representations received from the directors, as on 31st March 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director, in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal

## Independent Auditor's Report (Contd.)

financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in Annexure B;

- (g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) 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, as amended, 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 standalone financial statements;

- (ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s. **Bhogilal C. Shah & Co.**

Chartered Accountants

Firm's Registration No. 101424W

**Sd/-**

**Suril Shah**

Partner

Membership No. 042710

Mumbai, 16<sup>th</sup> May 2019



## 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 Ind AS financial statements for the year ended 31<sup>st</sup> March 2019. We report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size and nature of its business. As explained to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained u/s 189 of the Act. Therefore the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (b) According to the information and explanations given to us, the amounts which have not been deposited as on 31<sup>st</sup> March 2019 on account of any dispute, are as follows :
- (v) In our opinion and according to the information and explanations given to us, the Company complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 and all other relevant provisions the Companies Act, 2013 and the rules framed thereunder in respect of acceptance of deposits from the public.
- (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, Custom Duty, Excise Duty, Goods & Services 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, Custom Duty, Excise Duty, Goods & Services Tax, Cess and other material statutory dues were in arrears, as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.

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	15.53	2013-2014	A.C. Appeal
		16.08	2015-16, 2016-17 & 2017-18	A.C. Appeal
		32.97	2008-09 & 2009-10	Commissioner
		10.55	2011-2012	Commissioner
		18.94	2007-2013	D.C. Appeal
		4.49	2009-2010	D.C. Appeal
		29.23	2010-2011	D.C. Appeal
		26.63	2011-2012	D.C. Appeal
		8.08	2012-2013	D.C. Appeal
		15.00	2013-2014	D.C. Appeal
		32.65	2014-2015	D.C. Appeal

## Annexure A To the Independent Auditor's Report (Contd.)

Name of the statute	Nature of Dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where the dispute is pending
		6.49	2015-2016	D.C. Appeal
		4.34	2016-2017	D.C. Appeal
		1.63	2005-2006	J.C. Appeal
		15.05	2012-2013	J.C. Appeal
		7.37	2014-2015	J.C. Appeal
		41.90	2015-2016	J.C. Appeal
The Customs Act, 1962	Custom Duty	734.87	2009-2019	Departmental Authorities / CESTAT

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. There are no loans or borrowing from the government. There are no debenture holders.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which they were raised. The Company has not raised moneys by way of initial public offering or further public offer during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) 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 not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of Section 42 of the Act with respect to preferential allotment of shares and the amount raised have been used for the purposes 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. **Bhogilal C. Shah & Co.**

Chartered Accountants

Firm's Registration No. 101424W

**Sd/-**

**Suril Shah**

Partner

Membership No. 042710

Mumbai, 16<sup>th</sup> May 2019



# Annexure B

## To the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of Compuage Infocom Limited ("the Company") as of 31<sup>st</sup> March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

#### AUDITOR'S RESPONSIBILITY

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

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

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

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

## Annexure B

### To the Independent Auditor's Report (Contd.)

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 31<sup>st</sup> March 2019, 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. **Bhogilal C. Shah & Co.**

Chartered Accountants  
Firm's Registration No. 101424W

**Sd/-**  
**Suril Shah**

Partner  
Membership No. 042710  
Mumbai, 16<sup>th</sup> May 2019



# Balance Sheet

as at 31<sup>st</sup> March 2019

(₹ in Lakh)

Particulars	Note	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>A. ASSETS</b>			
1. Non-current assets			
a) Property, plant and equipment	2	5,386.82	4,397.98
b) Intangible assets	2	4.76	8.30
c) Financial assets			
(i) Investments	3	117.27	99.79
(ii) Others financial assets	4	0.88	3.66
<b>Total non-current assets</b>		<b>5,509.73</b>	<b>4,509.73</b>
2. Current assets			
a) Inventories	5	30,139.02	29,261.73
b) Financial assets			
(i) Investments	6	250.92	257.00
(ii) Trade receivables	7	64,459.39	57,751.80
(iii) Cash and cash equivalents	8	4,461.46	4,632.09
(iv) Bank balances other than (iii) above	9	7,343.65	7,563.74
(v) Loans	10	525.99	494.72
(vi) Other financial assets	11	751.43	835.06
c) Current tax assets (net)	12	383.83	210.48
d) Other current assets	13	9,927.79	6,472.57
<b>Total current assets</b>		<b>1,18,243.48</b>	<b>1,07,479.19</b>
<b>Total Assets</b>		<b>1,23,753.21</b>	<b>1,11,988.92</b>
<b>B. EQUITY AND LIABILITIES</b>			
Equity			
a) Equity share capital	14	1,299.52	1,174.80
b) Other equity	15	16,332.41	13,026.35
<b>Total equity</b>		<b>17,631.93</b>	<b>14,201.15</b>
Liabilities			
1. Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	16	2,287.09	1,365.69
b) Provisions	17	225.95	-
c) Deferred tax liabilities (net)	18	619.70	623.18
<b>Total non-current liabilities</b>		<b>3,132.74</b>	<b>1,988.87</b>
2. Current liabilities			
a) Financial liabilities			
(i) Borrowings	19	45,576.59	39,647.64
(ii) Trade payables	20	50,748.92	50,456.01
(iii) Other financial liabilities	21	4,047.90	2,808.39
b) Other current liabilities	22	2,560.97	2,876.86
c) Provisions	23	54.16	10.00
<b>Total current liabilities</b>		<b>1,02,988.54</b>	<b>95,798.90</b>
<b>Total liabilities</b>		<b>1,06,121.28</b>	<b>97,787.77</b>
<b>Total Equity and Liabilities</b>		<b>1,23,753.21</b>	<b>1,11,988.92</b>
Significant accounting policies	1		

The above Balance Sheet should be read in conjunction with the accompanying Notes

As per our report of even date

For **Bhogilal C. Shah & Co.**

Firm Reg. No.: 101424W

Chartered Accountants

For and behalf of the Board of Directors

of Compuage Infocom Limited

**(CA. S. V. Shah)**

Partner

Membership No. : 042710

**G. S. Ganesh**

Independent Director

DIN: 00010877

**Bhavesh H. Mehta**

Whole Time Director

DIN: 00740861

**Atul H. Mehta**

Chairman & Managing Director

DIN: 00716869

Place : Mumbai

Dated : 16<sup>th</sup> May 2019

**Sunil Mehta**

CFO

**Disha Shah**

Company Secretary



# Statement of Profit & Loss

for the year ended 31<sup>st</sup> March 2019

(₹ in Lakh unless otherwise stated)

Particulars	Note	2018-19	2017-18
Revenue from operations	24	4,51,483.37	4,07,440.78
Other income	25	1,640.91	1,499.02
<b>Total Income</b>		<b>4,53,124.28</b>	<b>4,08,939.80</b>
<b>Expenses</b>			
Purchase of stock-in-trade	26	4,35,166.39	3,88,961.20
Changes in inventories of stock in trade	27	(877.29)	4,226.87
Employee benefits expense	28	4,427.58	3,812.29
Finance costs	29	5,425.88	4,949.93
Depreciation and amortisation expenses	2	414.22	340.91
Other expenses	30	5,062.64	3,454.28
<b>Total Expenses</b>		<b>4,49,619.42</b>	<b>4,05,745.48</b>
Profit before exceptional items and tax		3,504.86	3,194.32
<b>Profit before tax</b>		<b>3,504.86</b>	<b>3,194.32</b>
<b>Tax expense</b>			
Current tax	18	1,250.00	1,124.64
Deferred tax	18	(3.48)	15.31
<b>Total tax expense</b>		<b>1,246.52</b>	<b>1,139.95</b>
<b>Profit for the year</b>		<b>2,258.34</b>	<b>2,054.37</b>
<b>Other Comprehensive Income</b>			
a) Items that will not be reclassified to profit and loss			-
b) Items that will be reclassified to profit and loss			-
<b>Other Comprehensive Income, net of tax</b>			-
<b>Total Comprehensive Income for the year</b>		<b>2,258.34</b>	<b>2,054.37</b>
<b>Earnings per Equity share attributable to owners of the Company</b>			
<b>No. of shares</b>		<b>649.76</b>	<b>587.39</b>
<b>Basic and diluted earning per Equity share of ₹ 2 each</b>		<b>3.48</b>	<b>3.50</b>

The above Statement of Profit and Loss should be read in conjunction with the accompanying Notes.

As per our report of even date

For **Bhogilal C. Shah & Co.**

Firm Reg. No.: 101424W

Chartered Accountants

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

**(CA. S. V. Shah)**

Partner

Membership No. : 042710

Place : Mumbai

Dated : 16<sup>th</sup> May 2019

**G. S. Ganesh**

Independent Director

DIN: 00010877

**Sunil Mehta**

CFO

**Bhavesh H. Mehta**

Whole Time Director

DIN: 00740861

**Disha Shah**

Company Secretary

**Atul H. Mehta**

Chairman & Managing Director

DIN: 00716869



# Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2019

(₹ in Lakh)

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,504.86	3,194.31
Adjustment For:		
Depreciation and amortisation expenses	414.22	340.91
Unrealised Exchange Rate Difference (Net)	(3.98)	(0.31)
Finance costs	5,425.88	4,949.93
Interest income from financial assets measured at amortised cost	(1,598.58)	(1,488.49)
Dividend received on current investments	(11.98)	(10.53)
Loss on Sale of Investment	0.02	-
Loss on Sale of Property, Plant & Equipment	0.25	-
<b>Operating Profit Before Working Capital Changes</b>	<b>7,730.69</b>	<b>6,985.82</b>
<b>Changes in working capital:</b>		
Decrease/(Increase) in Inventories	(877.29)	4,226.87
Decrease/(Increase) in Trade Receivables	(6,707.59)	(12,180.71)
Decrease/(Increase) in Current Loans	(31.27)	132.24
Decrease/(Increase) in Other Current Assets	(3,455.22)	(4,469.68)
Decrease/(Increase) in Other Financial Assets	83.63	9.43
Increase /(Decrease) in Trade Payables	292.91	3,944.33
Increase /(Decrease) in Other Financial Liabilities	1,239.51	(23.25)
Increase /(Decrease) in Other Current Liabilities	(315.89)	632.24
Increase /(Decrease) in Current provisions	41.66	-
<b>Total</b>	<b>(9,729.55)</b>	<b>(7,728.53)</b>
Income tax paid (net of refund)	(1,423.35)	(1,356.14)
<b>Net Cash Inflow/(Outflow) From Operating Activities (A)</b>	<b>(3,422.21)</b>	<b>(2,098.85)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and equipment	(1,403.07)	(413.47)
Purchase of intangible assets	(0.17)	(11.82)
Sale of Property, plant and equipment	3.48	-
Sale/(Purchase) of Current Investments (net)	6.08	(5.23)
Sale/(Purchase) of Non-Current Investments	(13.50)	
Proceeds from /(Payment of) fixed deposits	222.87	(1,714.41)
Interest received on financial assets measured at amortised cost	1,598.58	1,488.49

## Statement of Cash Flows for the year ended 31<sup>st</sup> March 2019 (Contd.)

(₹ in Lakh)

	<b>As at 31<sup>st</sup> March 2019</b>	<b>As at 31<sup>st</sup> March 2018</b>
Dividend Received on Current Investments	11.98	10.53
Loss on Sale of Investment	(0.02)	-
<b>Net Cash Inflow/(Outflow) From Investing Activities (B)</b>	<b>426.23</b>	<b>(645.91)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from / (Repayment of) Equity Infusion	1,683.67	-
Proceeds from / (Repayment of) Current Borrowings	5,928.95	9,386.29
Proceeds from / (Repayment of) Non Current Borrowings	921.40	(407.23)
Interest Paid	(5,425.88)	(4,949.93)
Dividend on Equity shares (including dividend distribution tax)	(282.79)	(282.79)
<b>Net Cash Inflow/(Outflow) From Financing Activities (C)</b>	<b>2,825.35</b>	<b>3,746.34</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>(170.63)</b>	<b>1,001.58</b>
Cash and Cash Equivalents as at Beginning of the year	4,632.09	3,630.51
Cash and Cash Equivalents as at End of the year	4,461.46	4,632.09

- i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows as notified under the Companies (Indian Accounting Standards) Rules, 2015.
- ii) Cash flows from operating activities includes ₹ 49.01 Lakhs (31<sup>st</sup> March 2018 : ₹ 45.12 Lakh) being expenses towards Corporate Social Responsibility initiatives.

As per our report of even date

For **Bhogilal C. Shah & Co.**  
Firm Reg. No.: 101424W  
Chartered Accountants

For and behalf of the Board of Directors  
of Compugae Infocom Limited

**(CA. S. V. Shah)**  
Partner  
Membership No. : 042710

**G. S. Ganesh**  
Independent Director  
DIN: 00010877

**Bhavesh H. Mehta**  
Whole Time Director  
DIN: 00740861

**Atul H. Mehta**  
Chairman & Managing Director  
DIN: 00716869

Place : Mumbai  
Dated : 16<sup>th</sup> May 2019

**Sunil Mehta**  
CFO

**Disha Shah**  
Company Secretary



# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2019

## A. EQUITY SHARE CAPITAL

Particulars	Note	2017-18
<b>As at 1<sup>st</sup> April 2017</b>	14	<b>1,174.80</b>
Changes in Equity share capital during the year		-
<b>As at 31<sup>st</sup> March 2018</b>	14	<b>1,174.80</b>
Changes in Equity share capital during the year		124.72
<b>As at 31<sup>st</sup> March 2019</b>	14	<b>1,299.52</b>

## B. OTHER EQUITY

Particulars	Reserves and Surplus				Other Reserves			Total other Equity
	Securities Premium Reserve	General Reserve	Capital reserve	Capital redemption reserve	Retained Earnings	FVOCI equity instruments	Foreign currency translation reserve	
<b>As at 1<sup>st</sup> April 2018</b>	<b>2,109.85</b>	<b>35.38</b>	<b>134.84</b>	<b>129.72</b>	<b>10,616.57</b>	-	-	<b>13,026.36</b>
Profit for the year	1,558.95	(0.02)	-	-	2,258.34	-	22.27	<b>3,839.54</b>
Other Comprehensive Income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>1,558.95</b>	<b>(0.02)</b>	<b>-</b>	<b>-</b>	<b>2,258.34</b>	<b>-</b>	<b>22.27</b>	<b>3,839.54</b>
<b>Transactions with owners in their capacity as owners:</b>								
Dividend paid (including dividend distribution tax)	-	-	-	-	(282.79)	-	-	<b>(282.79)</b>
<b>As at 31<sup>st</sup> March 2019</b>	<b>3,668.80</b>	<b>35.36</b>	<b>134.84</b>	<b>129.72</b>	<b>12,592.12</b>	<b>-</b>	<b>22.27</b>	<b>16,583.11</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Summary of Significant accounting policies to financial statements for the year ended 31<sup>st</sup> March 2019

### 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 Limited.

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

### NOTE 1: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

#### A. Significant Accounting Policies:

##### i) Basis of Preparation:

###### (a) Compliance with Ind AS

These financial statements are the separate financial statements of the Company prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended, hereinafter referred to as the Ind AS, and other relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

###### (b) Use of Estimates:

The preparation of financial statements 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.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

###### (c) Historical Cost Convention:

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

##### ii) Current/ Non-Current classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realised/ settled in the Company's normal operating cycle;
- The asset is intended for sale or consumption;
- The asset/liability is held primarily for the purpose of trading;
- The asset/liability is expected to be realised/ settled within twelve months after the reporting period;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months.

##### iii) Tangible Assets /Property, plant and equipment:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item



## Summary of Significant accounting policies to financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

### iv) Depreciation on tangible fixed assets:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and accordingly, accounted for prospectively.

### v) Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life i.e. 3 years based on management assessment and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss.

### vi) Derecognition:

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss.

### vii) Impairment of non-financial assets – property plant and equipment and intangible assets:

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there are any indications of impairment based on internal / external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

Goodwill, intangible assets having indefinite useful life and intangible assets currently not in use by the Company are tested for impairment annually and also whenever there are indicators of impairments. Reversal of impairment of Goodwill is not recognised.

### viii) Lease:

#### Where the Company is Lessee:

Finance Leases, which effectively transfer to the Company substantially all the risks and benefits

## Summary of Significant accounting policies to financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of lease liability, so as to achieve constant rate of interest of the remaining balance of the liability. Finance charges are recognised as finance cost in the statement of profit and loss. Lease management fees, legal charges, and other initial direct costs of lease are capitalised.

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

### ix) **Borrowing costs:**

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

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

### x) **Revenue Recognition:**

Revenue is recognised when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates by the Company.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as Sales Tax, VAT and GST are excluded from revenue.

The Company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement. Accumulated experience is used to estimate and provide for discounts and returns. No element of financing is deemed present as sales are made with a credit term which is consistent to market practice.

### **Sale of products:**

Revenue from sale of products is recognised when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.

### **Rendering of services:**

Revenue from product support services are recognised once the service is provided and the invoice is raised and are net of applicable taxes.

### **Interest:**

Interest income from debt instruments is recognised using the effective interest rate method.

### **Dividend:**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

### xi) **Foreign Currency Transactions /translations:**

Functional and presentation Currency:

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates (functional currency). The Financial statements of the Company are presented in Indian Currency, which is also the functional currency of the Company.

### **Initial Recognition:**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian





## Summary of Significant accounting policies to financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

Foreign exchange gain or loss resulting from the settlement of such transactions and from translation of monetary assets or liability denominated in foreign currencies at the year-end exchange rate are generally recognised in the profit and loss account except that they are deferred in equity if they relate to qualifying cash flow hedges.

### **Measurement of foreign currency items at reporting date:**

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

### **xii) Derivative financial instruments and hedge accounting:**

The Company enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortised cost.

The Company is not following hedge accounting. Consequently all derivative instruments are recognised and measured at Fair Value through Profit and Loss.

### **xiii) Inventories:**

- (a) Stock of goods traded is valued at lower of cost and net realisable value. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services.

Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The costs are determined on a weighted average basis.

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

### **xiv) Investments and other financial assets:**

#### **Classification:**

The Company classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI), or through Profit or Loss), and
- ii) Those measured at amortised cost.

The classification depends on the business model of the entity for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Profit or Loss or Other Comprehensive Income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income (OCI)

#### **Initial recognition and measurement:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### **Subsequent measurement:**

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through Profit or Loss (FVPL)} or,
- ii) Amortised cost.

#### **Debt instruments:**

Subsequent measurement of debt instruments

## Summary of Significant accounting policies to financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

### **Measured at amortised cost:**

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

### **Measured at fair value through Other Comprehensive Income (FVOCI):**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain / (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

### **Measured at Fair Value Through Profit or Loss: (FVTPL)**

A financial asset not classified as either amortised cost or FVOCI, is classified as FTVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

### **Equity instruments:**

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate Company and joint venture Company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income

when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **Investments in Subsidiary Companies, Associate Companies and Joint Venture companies:**

Investments in Subsidiary Companies, Associate Companies and Joint Venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in Subsidiary Companies, Associate Companies and Joint Venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

### **Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- ii) Trade Receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

### **De-recognition:**

A financial asset is de-recognised only when the Company

- i) has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.



## Summary of Significant accounting policies to financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### Financial liabilities:

#### i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### ii) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

#### iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### iv) De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

### Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events

and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### xv) Retirement and other employee benefits:

#### Short term employee benefits:

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the balance sheet.

#### Defined contribution plan:

Contributions to defined contribution schemes such as contribution to provident fund, Employees State Insurance Corporation, National Pension Scheme are charged as an expense to the statement of profit and loss on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond the monthly contributions.

The Liability or Asset, is recognised in the Balance sheet in respect of Gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method (PUCM).

### xvi) Income Taxes:

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that

## Summary of Significant accounting policies to financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit / (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

### xvii) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term deposits (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

### xviii) Segment reporting:

The Company operates only in one reportable segment.

### xix) 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.

### xx) Provisions and contingent liabilities:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.



## Summary of Significant accounting policies to financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

### xxi) Recent accounting pronouncements Ind AS 116:

On 30<sup>th</sup> March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1<sup>st</sup> April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognise right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit

and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

## Notes to the financial statements

### NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh unless otherwise stated)

Particulars	Buildings	IT Equipment	Vehicles	Office Equipment	Furniture and Fixture	Total Property, plant and equipment	Intangible Assets
<b>Gross carrying amount</b>							
As at 1 <sup>st</sup> April 2018	3,172.42	1,686.66	144.62	640.27	1,527.51	7,171.48	11.82
Additions	1,119.20	104.81	-	141.57	37.49	1,403.07	0.17
Disposals			(21.50)			(21.50)	
<b>As at 31<sup>st</sup> March 2019</b>	<b>4,291.62</b>	<b>1,791.47</b>	<b>123.12</b>	<b>781.84</b>	<b>1,565.00</b>	<b>8,553.05</b>	<b>11.99</b>
<b>Depreciation / Amortisation</b>							
<b>As at 31<sup>st</sup> March 2018</b>	115.68	1,463.59	78.59	410.86	704.78	2,773.50	3.52
Charge For the year	61.41	111.91	14.99	73.44	148.76	410.51	3.71
Disposals	-	-	(17.78)	-	-	(17.78)	-
upto 31 <sup>st</sup> March 2019	177.09	1,575.50	75.80	484.30	853.54	3,166.23	7.23
<b>Net carrying amount</b>							
<b>As at 31<sup>st</sup> March 2018</b>	<b>3,056.74</b>	<b>223.07</b>	<b>66.03</b>	<b>229.41</b>	<b>822.73</b>	<b>4,397.98</b>	<b>8.30</b>
<b>As at 31<sup>st</sup> March 2019</b>	<b>4,114.53</b>	<b>215.97</b>	<b>47.32</b>	<b>297.54</b>	<b>711.46</b>	<b>5,386.82</b>	<b>4.76</b>

1. The company has hypothecated Buildings to avail the Loan from the Bank.



## Notes to the financial statements (Contd.)

### NOTE 3 : NON CURRENT INVESTMENTS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
a) Investment in equity instruments of Subsidiary company measured at cost 1,50,000 Ordinary Shares of Compuage Infocom Pte.Ltd - Singapore	69.15	65.17
<b>Sub-total (a)</b>	<b>69.15</b>	<b>65.17</b>
b) Investment in equity instruments of Other Company measured at FVTPL - Unquoted 1,60,416 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of ₹ 30 each. (Previous year: 115416 Equity Shares).	48.12	34.62
<b>Sub-total (b)</b>	<b>48.12</b>	<b>34.62</b>
<b>Total</b>	<b>117.27</b>	<b>99.79</b>

### NOTE 4 : OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Fixed Deposits with Banks, with maturity beyond 12 months	0.88	3.66
<b>Total</b>	<b>0.88</b>	<b>3.66</b>

### NOTE 5 : INVENTORIES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Stock in trade	30,139.02	29,261.73
<b>Total</b>	<b>30,139.02</b>	<b>29,261.73</b>

### NOTE 6 : CURRENT INVESTMENTS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Investment in mutual funds, unquoted, fair value through Profit and Loss 2,49,803.323 units (2,55,829.639 units 31-03-18) of Birla Sun Life Cash Manager Weekly Dividend Mutual Fund	250.92	257.00
<b>Total</b>	<b>250.92</b>	<b>257.00</b>



## Notes to the financial statements (Contd.)

**NOTE 7 : TRADE RECEIVABLES**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Unsecured, considered good	64,459.39	57,751.80
<b>Total</b>	<b>64,459.39</b>	<b>57,751.80</b>

**NOTE 8 : CASH AND CASH EQUIVALENTS**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Bank balances		
In current accounts	4,222.54	3,696.23
In unpaid dividend accounts	19.60	19.99
Cheques on hand	22.00	850.00
Cash on hand	9.96	6.93
Fixed deposits with original maturity less than 3 months	187.36	58.94
<b>Total</b>	<b>4,461.46</b>	<b>4,632.09</b>

**NOTE 9 : OTHER BANK BALANCES**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Fixed deposits with remaining maturity less than 12 months	7,343.65	7,563.74
<b>Total</b>	<b>7,343.65</b>	<b>7,563.74</b>

**NOTE 10 : CURRENT LOANS**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Security deposits	485.22	425.71
Loans to employees	40.77	69.01
<b>Total</b>	<b>525.99</b>	<b>494.72</b>

**NOTE 11 : OTHER CURRENT FINANCIAL ASSETS**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Fixed deposits other than Banks	670.00	705.00
Interest accrued on deposits	81.43	130.06
<b>Total</b>	<b>751.43</b>	<b>835.06</b>



## Notes to the financial statements (Contd.)

### NOTE 12 : CURRENT TAX ASSETS (Net)

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Advance income tax (net of provisions)	383.83	210.48
<b>Total</b>	<b>383.83</b>	<b>210.48</b>

### NOTE 13 : OTHER CURRENT ASSETS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Prepaid expenses	1,050.99	193.22
Advances to staff	11.12	21.45
Advances to supplier	3,585.80	1,168.18
Balances with Government authorities	5,279.88	5,089.72
<b>Total</b>	<b>9,927.79</b>	<b>6,472.57</b>

### NOTE 14 : EQUITY SHARE CAPITAL

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Authorised</b>		
9,62,70,000 Equity shares of ₹ 2.00 each	1,925.40	1,925.40
46,65,600 Preference shares of ₹ 0.10 (Ten paise) each	4.67	4.67
1,10,00,000 Preference shares of ₹ 10.00 each [Previous Period: 33,69,344 Preference shares of ₹ 10.00 each]	1,100.00	336.93
<b>Total</b>	<b>3,030.07</b>	<b>2,267.00</b>
<b>Issued, subscribed and fully paid-up</b>		
6,49,75,806 Equity shares of ₹ 2.00 each fully paid (Previous Period: 5,87,39,995 Equity shares of ₹ 2.00 each fully paid) Note: The paid up value of Equity Share Capital is ₹ 12,99,51,612 /-	1,299.52	1,174.80
<b>Total</b>	<b>1,299.52</b>	<b>1,174.80</b>

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

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. in Lakh	₹ In lakh	No. in Lakh	₹ In lakh
<b>At the beginning of the Period</b>	<b>587.40</b>	<b>1,174.80</b>	<b>587.40</b>	<b>1,174.80</b>
Add : Preferential allotment	62.36	124.72	-	-
<b>Outstanding at the end of the period</b>	<b>649.76</b>	<b>1,299.52</b>	<b>587.40</b>	<b>1,174.80</b>

## Notes to the financial statements (Contd.)

### Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 2.00 per share. Each holder of equity shares is entitled to one vote per share.

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.

The 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 31<sup>st</sup> March 2019, the amount of per share final dividend proposed as distribution to the Equity Shareholders is ₹ 0.40 per share (31<sup>st</sup> March 2018 : ₹ 0.40 per share)

The Company has allotted 6235811 Equity Shares at face value of ₹ 2/- each through Preferential Issue on 30th March 2019. These Equity Shares shall stand pari passu with the existing Equity Shares.

### c) Details of Shareholders holding more than 5% of Equity shares:

(₹ in Lakh unless otherwise stated)

Name of Shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Holding %	No. of shares	Holding %	No. of shares
1. Atul Harkishandas Mehta	23.02%	149.54	24.25%	142.44
2. Bhavesh Harkishandas Mehta	23.02%	149.54	24.25%	142.44
3. Ajay Harkishandas Mehta	12.30%	79.94	12.98%	76.24
4. Kitara India Micro Cap Growth Fund	7.91%	51.38	9.36%	55.00

### NOTE 15 : OTHER EQUITY

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
a) Capital reserve	134.84	134.84
b) Capital redemption reserve	129.72	129.72
c) Securities premium reserve	3,668.80	2,109.85
d) General reserve	35.38	35.38
e) Retained Earnings		
Balance at the beginning of the year	10,616.57	8,844.99
Add: Profit for the year	2,258.34	2,054.37
Less: Dividend on Equity shares	(234.96)	(234.96)
Less: Dividend distribution tax on dividend	(47.83)	(47.83)
Less: Gratuity Provision of prior period	(228.45)	-
<b>Balance as at the end of the year</b>	<b>12,363.67</b>	<b>10,616.57</b>
<b>Total</b>	<b>16,332.41</b>	<b>13,026.35</b>

### Nature and purpose of other reserves

#### a) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.



## Notes to the financial statements (Contd.)

### NOTE 16 : NON CURRENT BORROWINGS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Term loans from banks, secured	1,438.34	1,243.33
Term loans from others, unsecured	848.75	112.50
Vehicle loans	-	9.86
<b>Total</b>	<b>2,287.09</b>	<b>1,365.69</b>

Term loan from Indian Bank (secured by hypothecation of office premises) carry interest of 11.15% pa and is repayable in 20 equal quarterly installment of ₹ 125 lakh each along with interest.

Term Loan from ICICI Bank (Home Loan secured by hypothecation of Building) carry floating interest of 9.20% pa and is repayable in 60 equal monthly Installment of ₹ 17.52 lakh each along with interest.

The company has not defaulted on repayment of loans and interest during the year.

### NOTE 17 : NON CURRENT PROVISIONS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Provision for gratuity	225.95	-
<b>Total</b>	<b>225.95</b>	<b>-</b>

### NOTE 18 : CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018 are:

a) Income tax expense

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>i) Current tax</b>		
Current tax on profits for the year	1,250.00	1,124.64
Adjustments for current tax of prior period	-	-
<b>Total current tax expense</b>	<b>1,250.00</b>	<b>1,124.64</b>
<b>ii) Deferred tax</b>		
(Decrease)   Increase in deferred tax liabilities	(3.48)	15.31
Decrease   (Increase) in deferred tax assets	-	-
<b>Total deferred tax expense (benefit)</b>	<b>(3.48)</b>	<b>15.31</b>
<b>Income tax expense</b>	<b>1,246.52</b>	<b>1,139.95</b>

b) The Statutory income tax rate applied for computing current tax & for Deferred Tax @ 34.944% as applicable to the Company.

**Notes to the financial statements (Contd.)**

- c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or Other Comprehensive Income.
- d) Current tax assets (net)

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Opening balance	210.48	(21.02)
Add: Tax paid in advance, net of provisions during the year	173.35	231.50
<b>Closing balance</b>	<b>383.83</b>	<b>210.48</b>

- e) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities |(assets):

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	(Charged)   Credited to Profit and Loss	As at 31 <sup>st</sup> March 2018	(Charged)   Credited to Profit and Loss
Property, plant and equipment & Intangible assets	618.87	(1.98)	620.85	16.81
Fair valuation of term loan	0.83	(1.50)	2.33	(1.50)
<b>Total deferred tax liabilities</b>	<b>619.70</b>	<b>(3.48)</b>	<b>623.18</b>	<b>15.31</b>
Carry forward of losses	-	-	-	-
<b>Total deferred tax assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax (asset)   liability</b>	<b>619.70</b>	<b>(3.48)</b>	<b>623.18</b>	<b>15.31</b>

**NOTE 19 : CURRENT BORROWINGS**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Secured		
Cash credit from banks	30,401.29	23,222.95
Unsecured		
Loan from related parties	3,276.58	2,479.95
Loan from others	11,657.72	13,151.74
Deposits	241.00	793.00
<b>Total</b>	<b>45,576.59</b>	<b>39,647.64</b>



## Notes to the financial statements (Contd.)

### NOTE 20 : TRADE PAYABLES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Due to Micro, Small & Medium Enterprises	-	-
Others	50,748.92	50,456.01
<b>Total</b>	<b>50,748.92</b>	<b>50,456.01</b>

### NOTE 21 : OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Current maturities of long term liabilities	1,324.41	669.73
Unpaid dividends	19.60	19.99
Amount due to subsidiary company	130.17	122.34
Other payables	2,573.72	1,996.33
<b>Total</b>	<b>4,047.90</b>	<b>2,808.39</b>

### NOTE 22 : OTHER CURRENT LIABILITIES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Statutory Dues	484.89	1,490.51
Advances from customers	2,076.08	1,386.35
<b>Total</b>	<b>2,560.97</b>	<b>2,876.86</b>

### NOTE 23 : CURRENT PROVISIONS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Provision for gratuity	2.50	10.00
Provision for dividend tax	51.66	-
<b>Total</b>	<b>54.16</b>	<b>10.00</b>

## Notes to the financial statements (Contd.)

### NOTE 24 : REVENUE FROM OPERATIONS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
(a) Sale of Products		
Computer Components & Others	4,50,475.89	4,06,428.87
<b>Total (a)</b>	<b>4,50,475.89</b>	<b>4,06,428.87</b>
(b) Sale of services		
Product support services	1,007.48	1,011.91
<b>Total (b)</b>	<b>1,007.48</b>	<b>1,011.91</b>
<b>Total</b>	<b>4,51,483.37</b>	<b>4,07,440.78</b>

### NOTE 25 : OTHER INCOME

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Dividend from mutual funds	11.98	10.53
Interest from bank deposits	517.16	463.71
Interest from others	1,081.42	1,024.78
Net exchange rate difference - gain	29.51	-
Miscellaneous income	0.84	-
<b>Total</b>	<b>1,640.91</b>	<b>1,499.02</b>

### NOTE 26 : PURCHASE OF STOCK-IN-TRADE

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Computer Components & Others	4,35,166.39	3,88,961.20
<b>Total</b>	<b>4,35,166.39</b>	<b>3,88,961.20</b>





## Notes to the financial statements (Contd.)

### NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakh unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(a) Stocks at the end of the year</b>		
Stock-in-trade	30,139.02	29,261.73
<b>Total (a)</b>	<b>30,139.02</b>	<b>29,261.73</b>
Less :		
<b>(b) Stocks at beginning of the year</b>		
Stock-in-trade	29,261.73	33,488.60
<b>Total (b)</b>	<b>29,261.73</b>	<b>33,488.60</b>
<b>(Increase)   Decrease in stocks</b>	<b>(877.29)</b>	<b>4,226.87</b>

### NOTE 28 : EMPLOYEE BENEFIT EXPENSES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Salaries, wages and bonus	4,149.71	3,542.27
Contribution to provident and other funds	98.26	88.48
Gratuity	25.93	10.00
Staff welfare	153.68	171.54
<b>Total</b>	<b>4,427.58</b>	<b>3,812.29</b>

### NOTE 29 : FINANCE COSTS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Interest on borrowings (at amortised cost)	5,425.88	4,949.93
<b>Total</b>	<b>5,425.88</b>	<b>4,949.93</b>

### NOTE 30: OTHER EXPENSES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Rent and compensation	852.11	735.45
Power & fuel	90.52	76.67
Rates and taxes	10.42	49.56
Insurance	333.84	307.89
<b>Payments to Statutory Auditors:</b>		
a) Audit fees	13.99	13.99
b) Tax matters	2.00	5.00
c) Other matters	1.48	2.46

## Notes to the financial statements (Contd.)

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Expenditure on Corporate Social Responsibility	49.01	45.12
Net exchange rate difference - loss	-	79.54
Loss on sale of Investment	0.02	-
Loss on sale of Assets	0.25	-
Miscellaneous expenses	3,709.00	2,138.60
<b>Total</b>	<b>5,062.64</b>	<b>3,454.28</b>

### NOTE 31: CONTINGENT LIABILITIES

The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as follows:

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Claims against the Company not acknowledged as debts</b>		
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.)	1,136.89	649.25

The Company does not envisage any likely reimbursements in respect of the above.

The above matters are currently being considered by the tax authorities and the Company expects the judgment will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement | decision pending with tax authorities. The potential undiscounted amount of total payments for taxes that the Company could be required to make if there was an adverse decision related to these disputed demands of regulators as of the date reporting period ends are as illustrated above.

### NOTE 32: EMPLOYEE BENEFIT OBLIGATIONS

#### Funded Scheme

##### a) Defined Benefit Plans:

##### Gratuity

The Company operates a gratuity plan through the Life Insurance Corporation of India. Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The actuarial valuation of plan assets and the present value of the defined benefit obligation for the Gratuity was carried out as at 31<sup>st</sup> March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

Based on the actuarial valuation obtained in respect, the following table sets out the status of the gratuity plan and the amounts recognised in the companies financial statements as at the balance sheet date:

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019
<b>A) Amount Recognised in Statement of Financial Position at Period-End</b>	
Present Value of Funded Defined Benefit Obligation	239.01
Fair value of Plan Assets	(10.55)
Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position	228.46



## Notes to the financial statements (Contd.)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019
<b>B) Net Defined Benefit Cost/(Income) included in Retained earnings at Period-End</b>	
Past Service Cost	228.46
Total Defined Benefit Cost/(Income) included in retained earnings	228.46

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019
<b>C) Current / Non-Current Bifurcation</b>	
Current Liability	2.50
Non-Current Liability	225.96
(Asset)/Liability Recognised in the Balance Sheet	<b>228.46</b>

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019
<b>D) Change in Defined Benefit Obligation during the Period</b>	
Past Service Cost	239.01
Defined Benefit Obligation, End of Period	239.01

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019
<b>E) Change in Fair value of Plan Assets during the Period</b>	
Actual Company Contributions	10.55
<b>Fair value of Plan Assets, End of Period</b>	<b>10.55</b>

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019
<b>F) Reconciliation of Balance Sheet Amount</b>	
Total Charge/(Credit) Recognised in Profit and Loss	228.46
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>228.46</b>

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019
<b>G) Financial Assumptions Used to Determine the Defined Benefit Obligation</b>	
Discount Rate	<b>7.80%</b>
Salary Escalation Rate	<b>5.00%</b>

## Notes to the financial statements (Contd.)

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>H) Demographic Assumptions Used to Determine the Defined Benefit Obligation</b>	
<b>Withdrawal Rate:</b>	
Upto age 30	3.00%
Age 31 to 40	2.00%
Above Age 41	1.00%
<b>Mortality Rate</b>	<b>IALM (2006-08)</b>
<b>Retirement Age</b>	<b>58 years</b>

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>I) Asset Category</b>	
Government of India Securities (Central and State)	
High quality corporate bonds (including Public Sector Bonds)	
Equity shares of the Company	
Insurer Managed Funds	10.55
Cash (including Bank Balance, Special Deposit Scheme)	
Others	
<b>Total</b>	<b>10.55</b>

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>J) Expected cashflows for the next 10 years</b>	
Year-2020	24.97
Year-2021	5.38
Year-2022	5.62
Year-2023	6.12
Year-2024	19.89
Year-2025 to 2029	63.40

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>K) Defined Benefit Obligation - Sensitivity Analysis</b>	
Discount Rate + 100 basis points	213.14
Discount Rate - 100 basis points	269.74
Salary Escalation Rate + 100 basis points	263.66
Salary Escalation Rate - 100 basis points	217.11
Attrition Rate + 100 basis points	247.51
Attrition Rate - 100 basis points	229.27



## Notes to the financial statements (Contd.)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019
<b>L) Reconciliation of Balance Sheet Amount</b>	
Total Charge/(Credit) Recognised in Retained Earning	228.46

### NOTE 33: SEGMENT REPORTING

The Company operates only in one reportable segment.

### NOTE 34: LEASE ARRANGEMENTS

The Company procures office premises under operating lease agreements that are renewable on a periodic basis at the option of both lessor and lessee. The initial tenure of the lease is below 12 months. The lease rentals recognised in the Statement of Profit and Loss for the year are ₹ 852.11 lakh (previous year ₹ 735.45 lakh). The contingent rent recognised in the Statement of Profit and Loss for the year is ₹ nil (previous year ₹ nil).

### NOTE 35: DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 EARNINGS PER SHARE

(₹ in Lakh unless otherwise stated)

Particulars	2018-19	2017-18
Face value of equity share (in ₹)	2	2
Weighted average number of equity shares outstanding (in Nos)	6,49,75,806	5,87,39,995
Profit for the year (₹ in Lakh)	2,258.34	2,054.37
Weighted average earnings per share (basic and diluted) (in ₹)	3.48	3.50

### NOTE 36: CAPITAL MANAGEMENT

#### Risk Management

The primary objective of Capital Management of the Company is to maximise Shareholder value. The Company monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of Capital Management, the Company considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt less cash and cash equivalents & other Bank balances.

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Total debt	47,863.68	41,013.33
Less: Cash and cash equivalents & Other Bank balances	11,805.11	12,195.83
<b>Net Debt</b>	<b>36,058.57</b>	<b>28,817.50</b>
Total equity	17,631.93	14,201.15
<b>Debt-Equity ratio</b>	<b>2.05</b>	<b>2.03</b>

## Notes to the financial statements (Contd.)

### **NOTE 37: RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:**

#### **A. Relationships –**

##### **Category I:**

##### **Subsidiaries:**

Compuage Infocom (S) Pte Ltd

##### **Category II: Jointly Controlled Entity: NA**

##### **Category III:**

##### **Key Management Personnel (KMP)**

Atul H. Mehta	Executive Director
Bhavesh H. Mehta	Executive Director
Sunil Mehta	Chief Financial Officer
Disha Shah	Company Secretary

##### **Non-Executive Directors**

G.S. Ganesh  
Vijay Agarwal  
Preeti Trivedi

##### **Category IV:**

##### **Others (Close family member of KMP and Entities in which the KMP or close family member of KMP have significant influence)**

Bhavesh M. Mehta	Brother of Sunil Mehta
Kamal M. Mehta	Brother of Sunil Mehta
Falguni A. Mehta	Wife of Atul H. Mehta
Forum B. Mehta	Wife of Bhavesh H. Mehta
Ajay H. Mehta	Brother of Atul H. Mehta and Bhavesh H. Mehta
Nisha S. Mehta	Wife of Sunil Mehta
Sunil M. Mehta HUF	HUF of Sunil Mehta
Yash A. Mehta	Son of Atul H. Mehta
Trillizo Holdings Ltd.	Entity in which close family member of KMP has significant influence
Pristine Care Products Pvt. Ltd.	Entity in which close family member of KMP has significant influence

##### **Transactions with the related parties:**

(₹ in Lakh unless otherwise stated)

<b>Particulars of transactions</b>	<b>For the year ended 31<sup>st</sup> March 2019</b>	<b>For the year ended 31<sup>st</sup> March 2018</b>
Interest Paid to:		
Atul H. Mehta	34.46	38.00
Bhavesh H. Mehta	92.97	40.62
Bhavesh M. Mehta	2.25	0.71
Falguni A. Mehta	2.80	0.60
Forum B. Mehta	3.29	0.62
Ajay H. Mehta	9.15	0.05



## Notes to the financial statements (Contd.)

(₹ in Lakh unless otherwise stated)

Particulars of transactions	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Nisha S. Mehta	2.32	1.08
Sunil M. Mehta HUF	6.77	1.79
Sunil M. Mehta	2.87	-
Kamal M.Mehta	1.25	-
Yash A.Mehta	0.18	-
<b>Remuneration Paid to:</b>		
Atul H.Mehta	168.00	168.00
Bhavesh H.Mehta	168.00	168.00
Disha Shah	7.88	7.00
Sunil Mehta	65.44	65.39
<b>Sitting Fees to Non-Executive Directors</b>		
Vijay Agarwal	5.00	3.15
Preeti Trivedi	4.00	4.15
<b>Rent Paid to:</b>		
Trillizo Holdings Ltd.	15.00	15.00
<b>Printing &amp; Stationery Paid to:</b>		
Pristine Care Products Pvt. Ltd.	9.14	

### Balances due from/to the related parties:

(₹ in Lakh unless otherwise stated)

Particulars of transactions	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Outstanding receivables:</b>		
Trillizo Holdings Ltd.	138.00	138.00
<b>Outstanding payables:</b>		
Atul H.Mehta	1,693.03	1,372.41
Bhavesh H.Mehta	1,473.45	1,107.54
Compuage Infocom (S) Pte Ltd	130.17	122.34
Bhavesh M. Mehta	15.39	20.41
Falguni A. Mehta	6.16	20.46
Forum B. Mehta	10.26	17.95
Ajay H. Mehta	120.36	15.05
Nisha S. Mehta	-	30.74
Sunil M. Mehta HUF	-	51.24
Kamal M. Mehta	15.39	-
Yash A. Mehta	2.56	-
Pristine Care Products Pvt. Ltd.	6.34	-



## Notes to the financial statements (Contd.)

### NOTE 38: OUTSTANDING DUES OF MICRO ENTERPRISE AND SMALL ENTERPRISE

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.

### NOTE 39: VALUATION OF IMPORTS CALCULATED ON C.I.F. BASIS

Valuation of Imports calculated on C.I.F. basis for One Year period ended 31<sup>st</sup> March 2019 is ₹ 74075 Lakh (Previous year ₹ 66164 Lakh).

### NOTE 40: FOREIGN CURRENCY TRANSACTIONS

#### Expenditure in Foreign currency:

(₹ in Lakh)

Particular	Current Period	Previous Period
Travelling	90.67	111.20
Mercantile Trade Purchase	13243.14	13610.36

#### Earnings in Foreign Currency

(₹ in Lakh)

Particular	Current Period	Previous Period
Mercantile Trade Sale	13375.57	13746.16



# Independent Auditor's Report

To,  
The Members of  
Compuage Infocom Limited

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying consolidated financial statements of Compuage Infocom Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of the Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements / consolidated financial statements and on other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed u/s 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, its consolidated profit including other comprehensive income, consolidated

changes in equity and its consolidated cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the paragraph Other Matter is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<b>Recoverability of Balances with Government Authorities</b> Balances with Government Authorities have been disclosed under Other Current Assets.	<b>Principal Audit Procedures</b> We have reviewed the status of the applications and other corresponding documentation to check whether the balances with Government Authorities are likely to be recovered within the next financial year.
2.	<b>Provision for doubtful debts</b> All trade receivables have been considered good.	<b>Principal Audit Procedures</b> We have reviewed the status of the cases filed in the courts for recovery of outstanding dues from various customers. Customer's confirmations and financial standing have been verified and the likelihood of recoverability has been examined.

## Independent Auditor's Report (Contd.)

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the

Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based



## Independent Auditor's Report (Contd.)

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTER

We have not audited the financial statements and other financial information of the subsidiary. The subsidiary accounts for total assets of ₹450.57 Lakh as at 31<sup>st</sup> March 2019, net profit of ₹10.26 Lakh for the year ended 31<sup>st</sup> March 2019.

These financial statements and financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of section 143(3) of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

The financial statements and other financial information of the subsidiary which is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in its respective country and which has been audited by other auditors under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of the subsidiary located outside India is based on the reports of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### REPORT ON LEGAL AND OTHER REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of its subsidiary, as noted in the "other matter" paragraph, 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;

## Independent Auditor's Report (Contd.)

- (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 and the report of the other auditors;
- (c) the consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) on the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2019, and taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group Company incorporated in India is disqualified as on 31<sup>st</sup> March 2019 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;
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) 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 and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiary, as noted in the "other matter" paragraph :
  - (i) the consolidated financial statements disclose the impact on pending litigations on its financial position of the Group in its consolidated financial statements;
  - (ii) the Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For M/s. **Bhogilal C. Shah & Co.**  
Chartered Accountants  
Firm's Registration No. 101424W

**Sd/-**  
**Suril Shah**

Partner  
Membership No. 042710  
Mumbai, 16<sup>th</sup> May 2019



# 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 Ind AS financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of Compuage Infocom Limited ("the Holding Company").

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

#### AUDITOR'S RESPONSIBILITY

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

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

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

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

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

## Annexure A

### To the Independent Auditor's Report (Contd.)

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 31<sup>st</sup> March 2019, 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. **Bhogilal C. Shah & Co.**

Chartered Accountants

Firm's Registration No. 101424W

**Sd/-**

**Suril Shah**

Partner

Membership No. 042710

Mumbai, 16<sup>th</sup> May 2019





# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2019

(₹ in Lakh)

Particulars	Note	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>A. ASSETS</b>			
1. Non-current assets			
a) Property, plant and equipment	2	5,386.82	4,397.98
b) Intangible assets	2	4.76	8.30
c) Financial assets			
(i) Investments	3	48.12	34.62
(ii) Others financial assets	4	0.88	3.66
<b>Total non-current assets</b>		<b>5,440.58</b>	<b>4,444.56</b>
2. Current assets			
a) Inventories	5	30,139.02	29,261.73
b) Financial assets			
(i) Investments	6	250.92	257.00
(ii) Trade receivables	7	64,459.39	57,751.80
(iii) Cash and cash equivalents	8	4,463.29	4,635.59
(iv) Bank balances other than (iii) above	9	7,343.65	7,563.74
(v) Loans	10	525.99	494.72
(vi) Other financial assets	11	751.43	835.06
c) Current tax assets (net)	12	383.83	210.48
d) Other current assets	13	10,363.22	6,871.24
<b>Total current assets</b>		<b>1,18,680.74</b>	<b>1,07,881.36</b>
<b>Total Assets</b>		<b>1,24,121.32</b>	<b>1,12,325.92</b>
<b>B. EQUITY AND LIABILITIES</b>			
Equity			
a) Equity share capital	14	1,299.52	1,174.80
b) Other equity	15	16,380.11	13,061.04
<b>Total equity</b>		<b>17,679.63</b>	<b>14,235.84</b>
Liabilities			
1. Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	16	2,287.09	1,365.69
b) Provisions	17	225.95	-
c) Deferred tax liabilities (net)	18	619.70	623.18
<b>Total non-current liabilities</b>		<b>3,132.74</b>	<b>1,988.87</b>
2. Current liabilities			
a) Financial liabilities			
(i) Borrowings	19	46,025.88	40,071.07
(ii) Trade payables	20	50,748.92	50,456.01
(iii) Other financial liabilities	21	3,919.01	2,687.29
b) Other current liabilities	22	2,560.98	2,876.86
c) Provisions	23	54.16	10.00
<b>Total current liabilities</b>		<b>1,03,308.95</b>	<b>96,101.23</b>
<b>Total liabilities</b>		<b>1,06,441.69</b>	<b>98,090.10</b>
<b>Total Equity and Liabilities</b>		<b>1,24,121.32</b>	<b>1,12,325.92</b>
<b>Significant accounting policies</b>	1		

The above Balance Sheet should be read in conjunction with the accompanying Notes

As per our report of even date

For **Bhogilal C. Shah & Co.**

Firm Reg. No.: 101424W

Chartered Accountants

For and behalf of the Board of Directors

of Compuage Infocom Limited

**(CA. S. V. Shah)**

Partner

Membership No. : 042710

**G. S. Ganesh**

Independent Director

DIN: 00010877

**Bhavesh H. Mehta**

Whole Time Director

DIN: 00740861

**Atul H. Mehta**

Chairman & Managing Director

DIN: 00716869

Place : Mumbai

Dated : 16<sup>th</sup> May 2019

**Sunil Mehta**

CFO

**Disha Shah**

Company Secretary

# Consolidated Statement of Profit & Loss

for the year ended 31<sup>st</sup> March 2019

(₹ in Lakh unless otherwise stated)

Particulars	Note	2018-19	2017-18
Revenue from operations	24	4,51,483.37	4,07,440.78
Other income	25	1,653.27	1,499.02
<b>Total Income</b>		<b>4,53,136.64</b>	<b>4,08,939.80</b>
<b>Expenses</b>			
Purchase of stock-in-trade	26	4,35,166.39	3,88,961.20
Changes in inventories of stock in trade	27	(877.29)	4,226.87
Employee benefits expense	28	4,427.58	3,812.29
Finance costs	29	5,425.88	4,949.93
Depreciation and amortisation expenses	2	414.22	342.14
Other expenses	30	5,064.44	3,478.44
<b>Total Expenses</b>		<b>4,49,621.22</b>	<b>4,05,770.87</b>
Profit before exceptional items and tax		3,515.42	3,168.92
<b>Profit before tax</b>		<b>3,515.42</b>	<b>3,168.92</b>
<b>Tax expense</b>			
Current tax	17	1,250.00	1,124.64
Deferred tax	17	(3.48)	15.31
<b>Total tax expense</b>		<b>1,246.52</b>	<b>1,139.95</b>
<b>Profit for the year</b>		<b>2,268.90</b>	<b>2,028.97</b>
<b>Other Comprehensive Income</b>			
a) Items that will not be reclassified to profit and loss		-	-
b) Items that will be reclassified to profit and loss		-	-
Foreign Exchange gain/loss on translation of foreign operations		-	(0.06)
<b>Other Comprehensive Income, net of tax</b>		<b>-</b>	<b>(0.06)</b>
<b>Total Comprehensive Income for the year</b>		<b>2,268.90</b>	<b>2,028.91</b>
<b>Earnings per Equity share attributable to owners of the Company</b>			
No. of shares		649.76	587.39
<b>Basic and diluted earning per Equity share of ₹ 2 each</b>		<b>3.49</b>	<b>3.45</b>

The above Statement of Profit and Loss should be read in conjunction with the accompanying Notes.

As per our report of even date

For **Bhogilal C. Shah & Co.**

Firm Reg. No.: 101424W

Chartered Accountants

For and behalf of the Board of Directors

of Compuage Infocom Limited

**(CA. S. V. Shah)**

Partner

Membership No. : 042710

Place : Mumbai

Dated : 16<sup>th</sup> May 2019

**G. S. Ganesh**

Independent Director

DIN: 00010877

**Sunil Mehta**

CFO

**Bhavesh H. Mehta**

Whole Time Director

DIN: 00740861

**Disha Shah**

Company Secretary

**Atul H. Mehta**

Chairman & Managing Director

DIN: 00716869



# Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2019

(₹ in Lakh)

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,515.42	3,168.92
Adjustment For:		
Depreciation and amortisation expenses	414.22	342.14
Unrealised Exchange Rate Difference (Net)	2.47	(0.06)
Finance costs	5,425.88	4,949.93
Interest income from financial assets measured at amortised cost	(1,598.58)	(1,488.49)
Dividend received on current investments	(11.98)	(10.53)
Loss on Sale of Investment	0.02	-
Loss on Sale of Property, Plant & Equipment	0.25	-
<b>Operating Profit Before Working Capital Changes</b>	<b>7,747.70</b>	<b>6,961.91</b>
<b>Changes in working capital:</b>		
Decrease/(Increase) in Inventories	(877.29)	4,226.87
Decrease/(Increase) in Trade Receivables	(6,707.59)	(12,180.71)
Decrease/(Increase) in Current Loans	(31.27)	132.24
Decrease/(Increase) in Other Current Assets	(3,491.98)	(4,465.11)
Decrease/(Increase) in Other Financial Assets	83.63	9.43
Increase /(Decrease) in Trade Payables	292.91	3,944.33
Increase /(Decrease) in Other Financial Liabilities	1,231.72	(84.52)
Increase /(Decrease) in Other Current Liabilities	(315.88)	632.24
Increase /(Decrease) in Current provisions	41.66	-
<b>Total</b>	<b>(9,774.09)</b>	<b>(7,785.23)</b>
Income tax paid (net of refund)	(1,423.35)	(1,356.14)
<b>Net Cash Inflow/(Outflow) From Operating Activities (A)</b>	<b>(3,449.74)</b>	<b>(2,179.46)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and equipment	(1,403.07)	(413.47)
Purchase of intangible assets	(0.17)	(11.82)
Sale of Property, plant and equipment	3.48	-
Sale/(Purchase) of Current Investments (net)	6.08	(5.23)
Sale/(Purchase) of Non-Current Investments	(13.50)	-
Proceeds from /(Payment of) fixed deposits	222.87	(1,714.41)
Interest received on financial assets measured at amortised cost	1,598.58	1,488.49
Dividend Received on Current Investments	11.98	10.53
Loss on Sale of Investment	(0.02)	-
<b>Net Cash Inflow/(Outflow) From Investing Activities (B)</b>	<b>426.23</b>	<b>(645.91)</b>

## Consolidated Statement of Cash Flows for the year ended 31<sup>st</sup> March 2019 (Contd.)

(₹ in Lakh)

	<b>As at 31<sup>st</sup> March 2019</b>	<b>As at 31<sup>st</sup> March 2018</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from / (Repayment of) Preferential issue of Shares including share Premium	1,683.67	-
Proceeds from / (Repayment of) Current Borrowings	5,954.81	9,388.33
Proceeds from / (Repayment of) Non Current Borrowings	921.40	(407.23)
Interest Paid	(5,425.88)	(4,949.93)
Dividend on Equity shares (including dividend distribution tax)	(282.79)	(282.79)
<b>Net Cash Inflow/(Outflow) From Financing Activities ( C )</b>	<b>2,851.21</b>	<b>3,748.38</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>(172.30)</b>	<b>923.01</b>
Cash and Cash Equivalents as at Beginning of the year	4,635.59	3,712.58
Cash and Cash Equivalents as at end of the year	4,463.29	4,635.59

- i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows as notified under the Companies (Indian Accounting Standards) Rules, 2015.
- ii) Cash flows from operating activities includes ₹ 49.01 Lakh (March 31, 2018 : ₹ 45.12 Lakh) being expenses towards Corporate Social Responsibility initiatives.

As per our report of even date

For **Bhogilal C. Shah & Co.**  
Firm Reg. No.: 101424W  
Chartered Accountants

For and behalf of the Board of Directors  
of Compugae Infocom Limited

**(CA. S. V. Shah)**  
Partner  
Membership No. : 042710

**G. S. Ganesh**  
Independent Director  
DIN: 00010877

**Bhavesh H. Mehta**  
Whole Time Director  
DIN: 00740861

**Atul H. Mehta**  
Chairman & Managing Director  
DIN: 00716869

Place : Mumbai  
Dated : 16<sup>th</sup> May 2019

**Sunil Mehta**  
CFO

**Disha Shah**  
Company Secretary



# Summary of Significant accounting policies to consolidated financial statements for the year ended 31<sup>st</sup> March 2019

## 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 Limited.

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.

## GROUP OVERVIEW

The Company and its Subsidiary Company are referred to as the Group here under.

The group of companies are engaged in trading in Computer parts and peripherals, Software and Telecom Products.

## GROUP STRUCTURE

(₹ in Lakh)			
Name of Company	Country of incorporation	% of shares held by the parent Company	
		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Compuage Infocom (S) Pte Ltd	Singapore	100%	100%

## NOTE 1: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

### A. Significant Accounting Policies:

#### i) Basis of Preparation:

##### (a) Compliance with Ind AS

These consolidated financial statements are the separate consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended hereinafter referred to as the Ind AS, and other relevant provisions of the Companies Act, 2013.

The Consolidated financial statements up to the year ended 31<sup>st</sup> March 2019 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013, hereinafter referred to as the 'Previous GAAP'.

Group's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

##### (b) Use of Estimates:

The preparation of consolidated financial statements 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.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

##### (c) Historical Cost Convention:

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the Periods presented in these consolidated financial statements.

Principles of consolidation and equity accounting:

##### i) Subsidiary companies:

Subsidiary companies are all entities over which the Group has control. The Group



## Summary of Significant accounting policies to consolidated financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. InterCompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

### ii) Associate companies:

Associate companies are all entities over which the Group has significant influence, but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associate companies are accounted for using the equity method of accounting {see (iv) below}.

### iii) Joint arrangements:

Under Ind AS 111 Joint arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interest only in one joint venture Company.

#### Joint venture Company

Interest in joint venture Company are accounted for using the equity method {see (iv) below}.

### iv) Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise share of the Group in post-acquisition profit and loss of the investee in profit and loss and share of the Group in Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associate Company and joint venture Company are recognised as a reduction in the carrying amount of the investment.

When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate Company and joint venture Company are eliminated to the extent of the Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting Policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in (xiv) below

### v) Changes in ownership interest :

The Group treats transactions with non-controlling interest that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount



## Summary of Significant accounting policies to consolidated financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate Company, joint venture Company or financial asset. In addition, any amount previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss.

If the ownership interest in a joint venture Company or an associate Company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate Group's consolidated financial statements are presented in Indian Rupees (₹), which is also its functional currency.

### ii) Current/ Non-Current classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realised/ settled in the Group's normal operating cycle;
- The asset is intended for sale or consumption;
- The asset/liability is held primarily for the purpose of trading;
- The asset/liability is expected to be realised/ settled within twelve months after the reporting period;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- In the case of a liability, the group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months.

### iii) Tangible Assets /Property, plant and equipment:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition,

items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

### iv) Depreciation on tangible fixed assets:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and accordingly, accounted for prospectively.

### v) Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the



## Summary of Significant accounting policies to consolidated financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

expenditure is incurred.

Intangible assets are amortised over the useful economic life i.e. 3 years based on management assessment and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss.

### vi) Derecognition:

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss.

### vii) Impairment of non-financial assets – property plant and equipment and intangible assets:

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there are any indications of impairment based on internal / external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

Goodwill, intangible assets having indefinite useful life and intangible assets currently not in use by the Group are tested for impairment annually and also whenever there are indicators of impairments.

Reversal of impairment of Goodwill is not recognised.

### viii) Lease:

#### Where the Company is Lessee:

Finance Leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of lease liability, so as to achieve constant rate of interest of the remaining balance of the liability. Finance charges are recognised as finance cost in the statement of profit and loss. Lease management fees, legal charges, and other initial direct costs of lease are capitalised.

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

### ix) Borrowing costs:

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

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

### x) Revenue Recognition:

Revenue is recognised when it is probable that economic benefits associated with a transaction

## Summary of Significant accounting policies to consolidated financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

flows to the Group in the ordinary course of its activities and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates by the Group.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Group, on its own account. Amounts collected on behalf of third parties such as Sales Tax, VAT and GST are excluded from revenue.

The Group bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement. Accumulated experience is used to estimate and provide for discounts and returns. No element of financing is deemed present as sales are made with a credit term which is consistent to market practice.

### **Sale of products:**

Revenue from sale of products is recognised when the Group transfers all significant risks and rewards of ownership to the buyer, while the Group retains neither continuing managerial involvement nor effective control over the products sold.

### **Rendering of services:**

Revenue from product support services are recognised once the service is provided and the invoice is raised and are net of applicable taxes.

### **Interest:**

Interest income from debt instruments is recognised using the effective interest rate method.

### **Dividend:**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

## **xi) Foreign Currency Transactions /translations:**

Functional and presentation Currency:

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the Group operates (functional currency). The Financial statements of the Group are presented in Indian

Currency, which is also the functional currency of the Group.

### **Initial Recognition:**

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

Foreign exchange gain or loss resulting from the settlement of such transactions and from translation of monetary assets or liability denominated in foreign currencies at the year-end exchange rate are generally recognised in the profit and loss account except that they are deferred in equity if they relate to qualifying cash flow hedges.

### **Measurement of foreign currency items at reporting date:**

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

## **xii) Derivative financial instruments and hedge accounting:**

The Group enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortised cost.

The Group is not following hedge accounting. Consequently all derivative instruments are recognised and measured at Fair Value through Profit and Loss.

## **xiii) Inventories:**

- Stock of goods traded is valued at lower of cost and net realisable value. The costs of purchase of inventories comprise the purchase price, import duties and other taxes



## Summary of Significant accounting policies to consolidated financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

(other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The costs are determined on a weighted average basis.

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

### xiv) Investments and other financial assets:

#### Classification:

The Group classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI), or through Profit or Loss), and
- ii) Those measured at amortised cost.

The classification depends on the business model of the entity for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Profit or Loss or Other Comprehensive Income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income (OCI)

#### Initial recognition and measurement:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### Subsequent measurement:

After initial recognition, financial assets are measured at:

- i) Fair value (either through Other

Comprehensive Income (FVOCI) or through Profit or Loss (FVTPL)) or,

- ii) Amortised cost.

#### Debt instruments:

Subsequent measurement of debt instruments depends on the business model of the Group for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

#### Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

#### Measured at fair value through Other Comprehensive Income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain / (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

#### Measured at Fair Value Through Profit or Loss: (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

#### Equity instruments:

The Group subsequently measures all investments in equity instruments other than subsidiary companies, associate Company and joint venture Company at fair value. The Management of the Group has elected to present fair value

## Summary of Significant accounting policies to consolidated financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### Investments in Subsidiary Companies, Associate Companies and Joint Venture companies:

Investments in Subsidiary Companies, Associate Companies and Joint Venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in Subsidiary Companies, Associate Companies and Joint Venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

### Impairment of financial assets:

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- ii) Trade Receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

### De-recognition:

A financial asset is de-recognised only when the Group

- i) has transferred the rights to receive cash

flows from the financial asset or

- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### Financial liabilities:

#### i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### ii) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

#### iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### iv) De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.





## Summary of Significant accounting policies to consolidated financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

### Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### xv) Retirement and other employee benefits:

#### Short term employee benefits:

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the balance sheet.

#### Defined contribution plan:

Contributions to defined contribution schemes such as contribution to provident fund, Employees State Insurance Corporation, National Pension Scheme are charged as an expense to the statement of profit and loss on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Group has no further defined obligations beyond the monthly contributions.

The Liability or Asset, is recognised in the Balance sheet in respect of Gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method (PUCM).

### xvi) Income Taxes:

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions

where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit / (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

### xvii) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term deposits (three months or less from the date of

## Summary of Significant accounting policies to consolidated financial statements for the year ended 31<sup>st</sup> March 2019 (Contd.)

acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

### xviii) Segment reporting:

The Group operates only in one reportable segment.

### xix) 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.

### xx) Provisions and contingent liabilities:

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase

in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### xxi) Recent accounting pronouncements Ind AS 116:

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognise right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Group is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.





# Notes

to the consolidated financial statements

## NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh unless otherwise stated)

Particulars	Buildings	IT Equipment	Vehicles	Office Equipment	Furniture and Fixture	Total Property, Plant and Equipment	Intangible Assets
<b>Gross carrying amount</b>							
As at 1st April 2018	3,172.42	1,692.27	144.62	648.17	1,531.44	7,188.92	11.82
Additions	1,119.20	104.81	-	141.57	37.49	1,403.07	0.17
Disposals	-	-	(21.50)	-	-	(21.50)	-
<b>As at 31st March 2019</b>	<b>4,291.62</b>	<b>1,797.08</b>	<b>123.12</b>	<b>789.74</b>	<b>1,568.93</b>	<b>8,570.49</b>	<b>11.99</b>
<b>Depreciation / Amortisation</b>							
<b>As at 31st March 2018</b>	115.68	1,469.20	78.59	416.97	710.50	2,790.94	3.52
Charge For the year	61.41	111.91	14.99	73.44	148.76	410.51	3.71
Disposals	-	-	(17.78)	-	-	(17.78)	-
upto 31st March 2019	177.09	1,581.11	75.80	490.41	859.26	3,183.67	7.23
<b>Net carrying amount</b>							
<b>As at 31st March 2018</b>	<b>3,056.74</b>	<b>223.07</b>	<b>66.03</b>	<b>231.20</b>	<b>820.94</b>	<b>4,397.98</b>	<b>8.30</b>
<b>As at 31st March 2019</b>	<b>4,114.53</b>	<b>215.97</b>	<b>47.32</b>	<b>299.33</b>	<b>709.67</b>	<b>5,386.82</b>	<b>4.76</b>

1. The Company has hypothecated Buildings to avail Loan from the Bank.

## Notes to the consolidated financial statements (Contd.)

**NOTE 3 : NON CURRENT INVESTMENTS**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
a) Investment in equity instruments of Other Company measured at FVTPL - Unquoted 1,60,416 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of ₹ 30 each. (Previous year: 115416 Equity Shares).	48.12	34.62
<b>Total</b>	<b>48.12</b>	<b>34.62</b>

**NOTE 4 : OTHER NON CURRENT FINANCIAL ASSETS**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Fixed Deposits with Banks, with maturity beyond 12 months	0.88	3.66
<b>Total</b>	<b>0.88</b>	<b>3.66</b>

**NOTE 5 : INVENTORIES**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Stock in trade	30,139.02	29,261.73
<b>Total</b>	<b>30,139.02</b>	<b>29,261.73</b>

**NOTE 6 : CURRENT INVESTMENTS**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Investment in mutual funds, unquoted, fair value through Profit and Loss 2,49,803.323 units (2,55,829.639 units 31-03-18) of Birla Sun Life Cash Manager Weekly Dividend Mutual Fund	250.92	257.00
<b>Total</b>	<b>250.92</b>	<b>257.00</b>



## Notes to the consolidated financial statements (Contd.)

### NOTE 7 : TRADE RECEIVABLES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Unsecured, considered good	64,459.39	57,751.80
<b>Total</b>	<b>64,459.39</b>	<b>57,751.80</b>

### NOTE 8 : CASH AND CASH EQUIVALENTS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Bank balances		
In current accounts	4,224.37	3,699.73
In unpaid dividend accounts	19.60	19.99
Cheques on hand	22.00	850.00
Cash on hand	9.96	6.93
Fixed deposits with original maturity less than 3 months	187.36	58.94
<b>Total</b>	<b>4,463.29</b>	<b>4,635.59</b>

### NOTE 9 : OTHER BANK BALANCES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Fixed deposits with remaining maturity less than 12 months	7,343.65	7,563.74
<b>Total</b>	<b>7,343.65</b>	<b>7,563.74</b>

### NOTE 10 : CURRENT LOANS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Security deposits	485.22	425.71
Loans to employees	40.77	69.01
<b>Total</b>	<b>525.99</b>	<b>494.72</b>

### NOTE 11 : OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Fixed deposits other than Banks	670.00	705.00
Interest accrued on deposits	81.43	130.06
<b>Total</b>	<b>751.43</b>	<b>835.06</b>

## Notes to the consolidated financial statements (Contd.)

### NOTE 12 : CURRENT TAX ASSETS (NET)

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Advance income tax (net of provisions)	383.83	210.48
<b>Total</b>	<b>383.83</b>	<b>210.48</b>

### NOTE 13 : OTHER CURRENT ASSETS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Prepaid expenses	1,050.99	193.22
Advances to staff	11.12	21.45
Advances to supplier	3,585.80	1,168.18
Balances with Government authorities	5,715.31	5,488.39
<b>Total</b>	<b>10,363.22</b>	<b>6,871.24</b>

### NOTE 14 : EQUITY SHARE CAPITAL

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Authorised</b>		
9,62,70,000 Equity shares of ₹ 2.00 each	1,925.40	1,925.40
46,65,600 Preference shares of ₹ 0.10 (Ten paise) each	4.67	4.67
1,10,00,000 Preference shares of ₹ 10.00 each [Previous Period: 33,69,344 Preference shares of ₹ 10.00 each]	1,100.00	336.93
<b>Total</b>	<b>3,030.07</b>	<b>2,267.00</b>
<b>Issued, subscribed and fully paid-up</b>		
6,49,75,806 Equity shares of ₹ 2.00 each fully paid (Previous Period: 5,87,39,995 Equity shares of ₹ 2.00 each fully paid) Note: The paid up value of Equity Share Capital is ₹ 12,99,51,612/-	1,299.52	1,174.80
<b>Total</b>	<b>1,299.52</b>	<b>1,174.80</b>

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

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. in Lakh	₹ In lakh	No. in Lakh	₹ In lakh
<b>At the beginning of the Period</b>	<b>587.40</b>	<b>1,174.80</b>	<b>587.40</b>	<b>1,174.80</b>
Add : Preferential allotment	62.36	124.72	-	-
<b>Outstanding at the end of the period</b>	<b>649.76</b>	<b>1,299.52</b>	<b>587.40</b>	<b>1,174.80</b>



## Notes to the consolidated financial statements (Contd.)

### Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2.00 per share. Each holder of equity shares is entitled to one vote per share.

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.

The 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 31<sup>st</sup> March 2019, the amount of per share final dividend proposed as distribution to the Equity Shareholders is ₹ 0.40 per share (31<sup>st</sup> March 2018 : ₹ 0.40 per share)

The Company has allotted 6235811 Equity Shares at face value of ₹ 2/- each through Preferential Issue on 30th March 2019. These Equity Shares shall stand pari passu with the existing Equity Shares.

### c) Details of Shareholders holding more than 5% of Equity shares:

(₹ in Lakh unless otherwise stated)

Name of Shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Holding %	No. of shares	Holding %	No. of shares
1. Atul Harkishandas Mehta	23.02%	149.54	24.25%	142.44
2. Bhavesh Harkishandas Mehta	23.02%	149.54	24.25%	142.44
3. Ajay Harkishandas Mehta	12.30%	79.94	12.98%	76.24
4. Kitara India Micro Cap Growth Fund	7.91%	51.38	9.36%	55.00

### NOTE 15 : OTHER EQUITY

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
a) Capital reserve	134.84	134.84
b) Capital redemption reserve	129.72	129.72
c) Securities premium reserve	3,668.80	2,109.85
d) General reserve	35.38	35.38
e) Foreign currency Translation Reserve		
i) Exchange difference in translating the financial statements of a foreign operation		
Balance as at the beginning of the year	(31.47)	(31.47)
Add: Changes in foreign currency translation reserve	2.52	-
<b>Balance as at the end of the year</b>	<b>(28.95)</b>	<b>(31.47)</b>
f) Retained Earnings		
Balance at the beginning of the year	10,682.66	8,936.54
Add: Profit for the year	2,268.90	2,028.91
Less: Dividend on Equity shares	(234.96)	(234.96)
Less: Dividend distribution tax on dividend	(47.83)	(47.83)
Less: Gratuity Provision of prior period	(228.45)	-
<b>Balance as at the end of the year</b>	<b>12,440.32</b>	<b>10,682.66</b>
<b>Total</b>	<b>16,380.11</b>	<b>13,061.04</b>

### Nature and purpose of other reserves

#### a) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

## Notes to the consolidated financial statements (Contd.)

### NOTE 16 : NON CURRENT BORROWINGS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Term loans from banks, secured	1,438.34	1,243.33
Term loans from others, unsecured	848.75	112.50
Vehicle loans	-	9.86
<b>Total</b>	<b>2,287.09</b>	<b>1,365.69</b>

Term loan from Indian Bank (secured by hypothecation of office premises) carry interest of 11.15% pa and is repayable in 20 equal quarterly installment of ₹ 125 lakh each along with interest.

Term Loan from ICICI Bank (Home Loan secured by hypothecation of Buiding) carry floating interest of 9.20% pa and is repayable in 60 equal monthly Installment of ₹ 17.52 lakh each along with interest.

The Company has not defaulted on repayment of loans and interest during the year.

### NOTE 17 : NON CURRENT PROVISIONS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Provision for gratuity	225.95	-
<b>Total</b>	<b>225.95</b>	<b>-</b>

### NOTE 18 : CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018 are:

a) Income tax expense

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>i) Current tax</b>		
Current tax on profits for the year	1,250.00	1,124.64
Adjustments for current tax of prior period	-	-
<b>Total current tax expense</b>	<b>1,250.00</b>	<b>1,124.64</b>
<b>ii) Deferred tax</b>		
(Decrease)   Increase in deferred tax liabilities	(3.48)	15.31
Decrease   (Increase) in deferred tax assets	-	-
<b>Total deferred tax expense   (benefit)</b>	<b>(3.48)</b>	<b>15.31</b>
<b>Income tax expense</b>	<b>1,246.52</b>	<b>1,139.95</b>

b) The Statutory income tax rate applied for computing current tax & for Deferred Tax @ 34.944% as applicable to the Company.

c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or Other Comprehensive Income.



## Notes to the consolidated financial statements (Contd.)

### d) Current tax liabilities (net)

(₹ in Lakh unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance	-	-
Add: Current tax payable for the year	-	-
Less: Taxes paid	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

### e) Current tax assets (net)

(₹ in Lakh unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance	210.48	(21.02)
Add: Tax paid in advance, net of provisions during the year	173.35	231.50
<b>Closing balance</b>	<b>383.83</b>	<b>210.48</b>

### f) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities |(assets):

(₹ in Lakh unless otherwise stated)

Particulars	As at 31st March 2019	(Charged)   Credited to Profit and Loss	As at 31st March 2018	(Charged)   Credited to Profit and Loss
Property, plant and equipment & Intangible assets	618.87	(1.98)	620.85	16.81
Fair valuation of term loan	0.83	(1.50)	2.33	(1.50)
<b>Total deferred tax liabilities</b>	<b>619.70</b>	<b>(3.48)</b>	<b>623.18</b>	<b>15.31</b>
Carry forward of losses	-	-	-	-
<b>Total deferred tax assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax (asset)   liability</b>	<b>619.70</b>	<b>(3.48)</b>	<b>623.18</b>	<b>15.31</b>

## NOTE 19 : CURRENT BORROWINGS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Secured		
Cash credit from banks	30,401.29	23,222.95
Unsecured		
Loan from related parties	3,276.58	2,479.95
Loan from others	12,107.01	13,575.17
<b>Deposits</b>	<b>241.00</b>	<b>793.00</b>
<b>Total</b>	<b>46,025.88</b>	<b>40,071.07</b>

## Notes to the consolidated financial statements (Contd.)

**NOTE 20 : TRADE PAYABLES**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Due to Micro, Small & Medium Enterprises	-	-
Others	50,748.92	50,456.01
<b>Total</b>	<b>50,748.92</b>	<b>50,456.01</b>

**NOTE 21 : OTHER CURRENT FINANCIAL LIABILITIES**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Current maturities of long term liabilities	1,324.41	669.73
Unpaid dividends	19.60	19.99
Other payables	2,575.00	1,997.57
<b>Total</b>	<b>3,919.01</b>	<b>2,687.29</b>

**NOTE 22 : OTHER CURRENT LIABILITIES**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Statutory Dues	484.89	1,490.51
Advances from customers	2,076.08	1,386.35
<b>Total</b>	<b>2,560.98</b>	<b>2,876.86</b>

**NOTE 23 : CURRENT PROVISIONS**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Provision for gratuity	2.50	10.00
Provision for dividend tax	51.66	-
<b>Total</b>	<b>54.16</b>	<b>10.00</b>

**NOTE 24 : REVENUE FROM OPERATIONS**

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
(a) Sale of Products		
Computer Components & Others	4,50,475.89	4,06,428.87
<b>Total (a)</b>	<b>4,50,475.89</b>	<b>4,06,428.87</b>
(b) Sale of services		
Product support services	1,007.48	1,011.91
<b>Total (b)</b>	<b>1,007.48</b>	<b>1,011.91</b>
<b>Total</b>	<b>4,51,483.37</b>	<b>4,07,440.78</b>





## Notes to the consolidated financial statements (Contd.)

### NOTE 25 : OTHER INCOME

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Dividend from mutual funds	11.98	10.53
Interest from bank deposits	517.16	463.71
Interest from others	1,081.42	1,024.78
Net exchange rate difference - gain	41.87	-
Miscellaneous income	0.84	-
<b>Total</b>	<b>1,653.27</b>	<b>1,499.02</b>

### NOTE 26 : PURCHASE OF STOCK-IN-TRADE

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Computer Components & Others	4,35,166.39	3,88,961.20
<b>Total</b>	<b>4,35,166.39</b>	<b>3,88,961.20</b>

### NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>(a) Stocks at the end of the year</b>		
Stock-in-trade	30,139.02	29,261.73
<b>Total (a)</b>	<b>30,139.02</b>	<b>29,261.73</b>
Less :		
<b>(b) Stocks at beginning of the year</b>		
Stock-in-trade	29,261.73	33,488.60
<b>Total (b)</b>	<b>29,261.73</b>	<b>33,488.60</b>
<b>(Increase)   Decrease in stocks</b>	<b>(877.29)</b>	<b>4,226.87</b>

### NOTE 28 : EMPLOYEE BENEFIT EXPENSES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Salaries, wages and bonus	4,149.71	3,542.27
Contribution to provident and other funds	98.26	88.48
Gratuity	25.93	10.00
Staff welfare	153.68	171.54
<b>Total</b>	<b>4,427.58</b>	<b>3,812.29</b>

## Notes to the consolidated financial statements (Contd.)

### NOTE 29 : FINANCE COSTS

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Interest on borrowings (at amortised cost)	5,425.88	4,949.93
<b>Total</b>	<b>5,425.88</b>	<b>4,949.93</b>

### NOTE 30: OTHER EXPENSES

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Rent and compensation	852.11	735.45
Power & fuel	90.52	76.67
Rates and taxes	10.42	49.56
Insurance	333.84	307.89
<b>Payments to the statutory auditors:</b>		
a) Audit fees	15.23	15.23
b) Tax matters	2.00	5.00
c) Other matters	1.48	2.46
Expenditure on Corporate Social Responsibility	49.01	45.12
Net exchange rate difference - loss	-	94.88
Loss on sale of Investment	0.02	-
Loss on sale of Assets	0.25	-
Miscellaneous expenses	3,709.55	2,146.18
<b>Total</b>	<b>5,064.44</b>	<b>3,478.44</b>

### NOTE 31: CONTINGENT LIABILITIES

The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as follows:

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Claims against the Company not acknowledged as debts</b>		
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.)	1,136.89	649.25

The Company does not envisage any likely reimbursements in respect of the above.

The above matters are currently being considered by the tax authorities and the Company expects the judgment will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement / decision pending with tax authorities. The potential undiscounted amount of total payments for taxes that the Company could be required to make if there was an adverse decision related to these disputed demands of regulators as of the date reporting period ends are as illustrated above.



## Notes to the consolidated financial statements (Contd.)

### NOTE 32: EMPLOYEE BENEFIT OBLIGATIONS

#### Funded Scheme

##### a) Defined Benefit Plans:

###### Gratuity

The Company operates a gratuity plan through the Life Insurance Corporation of India. Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service."

The actuarial valuation of plan assets and the present value of the defined benefit obligation for the Gratuity was carried out as at 31st March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

Based on the actuarial valuation obtained in respect, the following table sets out the status of the gratuity plan and the amounts recognised in the companies financial statements as at the balance sheet date:

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>A) Amount Recognised in Statement of Financial Position at Period-End</b>	
Present Value of Funded Defined Benefit Obligation	239.01
Fair value of Plan Assets	(10.55)
Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position	228.46

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>B) Net Defined Benefit Cost/(Income) included in Retained earnings at Period-End</b>	
Past Service Cost	228.46
Total Defined Benefit Cost/(Income) included in retained earnings	228.46

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>C) Current / Non-Current Bifurcation</b>	
Current Liability	2.50
Non-Current Liability	225.96
(Asset)/Liability Recognised in the Balance Sheet	<b>228.46</b>

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>D) Change in Defined Benefit Obligation during the Period</b>	
Past Service Cost	239.01
Defined Benefit Obligation, End of Period	239.01

## Notes to the consolidated financial statements (Contd.)

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>E) Change in Fair value of Plan Assets during the Period</b>	
Actual Company Contributions	10.55
<b>Fair value of Plan Assets, End of Period</b>	<b>10.55</b>

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>F) Reconciliation of Balance Sheet Amount</b>	
Total Charge/(Credit) Recognised in Profit and Loss	228.46
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>228.46</b>

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>G) Financial Assumptions Used to Determine the Defined Benefit Obligation</b>	
Discount Rate	<b>7.80%</b>
Salary Escalation Rate	<b>5.00%</b>

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>H) Demographic Assumptions Used to Determine the Defined Benefit Obligation</b>	
<b>Withdrawal Rate:</b>	
Upto age 30	3.00%
Age 31 to 40	2.00%
Above Age 41	1.00%
<b>Mortality Rate</b>	<b>IALM (2006-08)</b>
<b>Retirement Age</b>	<b>58 years</b>

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>I) Asset Category</b>	
Government of India Securities (Central and State)	
High quality corporate bonds (including Public Sector Bonds)	
Equity shares of the Company	
Insurer Managed Funds	<b>10.55</b>
Cash (including Bank Balance, Special Deposit Scheme)	
Others	
<b>Total</b>	<b>10.55</b>



## Notes to the consolidated financial statements (Contd.)

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>J) Expected cashflows for the next 10 years</b>	
Year-2020	24.97
Year-2021	5.38
Year-2022	5.62
Year-2023	6.12
Year-2024	19.89
Year-2025 to 2029	63.40

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>K) Defined Benefit Obligation - Sensitivity Analysis</b>	
Discount Rate + 100 basis points	213.14
Discount Rate - 100 basis points	269.74
Salary Escalation Rate + 100 basis points	263.66
Salary Escalation Rate - 100 basis points	217.11
Attrition Rate + 100 basis points	247.51
Attrition Rate - 100 basis points	229.27

(₹ in Lakh)

Particulars	As at 31st March 2019
<b>L) Reconciliation of Balance Sheet Amount</b>	
Total Charge/(Credit) Recognised in Retained Earning	228.46

### NOTE 33: SEGMENT REPORTING

The Company operates only in one reportable segment.

### NOTE 34: LEASE ARRANGEMENTS

The Company procures office premises under operating lease agreements that are renewable on a periodic basis at the option of both lessor and lessee. The initial tenure of the lease is below 12 months. The lease rentals recognised in the Statement of Profit and Loss for the year are ₹ 852.11 lakh (previous year ₹ 735.45 lakh). The contingent rent recognised in the Statement of Profit and Loss for the year is ₹ nil (previous year ₹ nil).

### NOTE 35: DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 EARNINGS PER SHARE

(₹ in Lakh unless otherwise stated)

Particulars	2018-19	2017-18
Face value of equity share (in ₹)	2	2
Weighted average number of equity shares outstanding (in Nos)	6,49,75,806	5,87,39,995
Profit for the year (₹ in Lakh)	2,268.90	2,028.91
Weighted average earnings per share (basic and diluted) (in ₹)	3.49	3.45

## Notes to the consolidated financial statements (Contd.)

### NOTE 36: CAPITAL MANAGEMENT

#### Risk Management

The primary objective of Capital Management of the Company is to maximise Shareholder value. The Company monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of Capital Management, the Company considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt less cash and cash equivalents & other Bank balances.

(₹ in Lakh unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Total debt	48,312.97	41,436.76
Less: Cash and cash equivalents & Other Bank balances	11,806.94	12,199.33
<b>Net Debt</b>	<b>36,506.03</b>	<b>29,237.43</b>
Total equity	17,679.63	14,235.82
<b>Debt-Equity ratio</b>	<b>2.06</b>	<b>2.05</b>

### NOTE 37: RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:

#### A. Relationships –

##### Category I:

**Subsidiaries: NA**

**Category II: Jointly Controlled Entity: NA**

##### Category III:

##### Key Management Personnel (KMP)

Atul H. Mehta	Executive Director
Bhavesh H. Mehta	Executive Director
Sunil Mehta	Chief Financial Officer
Disha Shah	Company Secretary

##### Non-Executive Directors

G.S. Ganesh  
Vijay Agarwal  
Preeti Trivedi

##### Category IV:

**Others (Close family member of KMP and Entities in which the KMP or close family member of KMP have significant influence)**

Bhavesh M. Mehta	Brother of Sunil Mehta
Kamal M. Mehta	Brother of Sunil Mehta
Falguni A. Mehta	Wife of Atul H. Mehta
Forum B. Mehta	Wife of Bhavesh H. Mehta
Ajay H. Mehta	Brother of Atul H. Mehta and Bhavesh H. Mehta
Nisha S. Mehta	Wife of Sunil Mehta
Sunil M. Mehta HUF	HUF of Sunil Mehta
Yash A. Mehta	Son of Atul H. Mehta
Trillizo Holdings Ltd.	Entity in which close family member of KMP has significant influence
Pristine Care Products Pvt. Ltd.	Entity in which close family member of KMP has significant influence



## Notes to the consolidated financial statements (Contd.)

### Transactions with the related parties:

(₹ in Lakh unless otherwise stated)

Particulars of transactions	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Interest Paid to:</b>		
Atul H.Mehta	34.46	38.00
Bhavesh H.Mehta	92.97	40.62
Bhavesh M. Mehta	2.25	0.71
Falguni A. Mehta	2.80	0.60
Forum B. Mehta	3.29	0.62
Ajay H. Mehta	9.15	0.05
Nisha S. Mehta	2.32	1.08
Sunil M. Mehta HUF	6.77	1.79
Sunil M. Mehta	2.87	-
Kamal M.Mehta	1.25	-
Yash A.Mehta	0.18	-
<b>Remuneration Paid to:</b>		
Atul H.Mehta	168.00	168.00
Bhavesh H.Mehta	168.00	168.00
Disha Shah	7.88	7.00
Sunil Mehta	65.44	65.39
<b>Sitting Fees to Non-Executive Directors</b>		
Vijay Agarwal	5.00	3.15
Preeti Trivedi	4.00	4.15
<b>Rent Paid to:</b>		
Trillizo Holdings Ltd.	15.00	15.00
<b>Printing &amp; Stationery Paid to:</b>		
Pristine Care Products Pvt. Ltd.	9.14	-

### Balances due from/to the related parties:

(₹ in Lakh unless otherwise stated)

Particulars of transactions	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Outstanding receivables:</b>		
Trillizo Holdings Ltd.	138.00	138.00
<b>Outstanding payables:</b>		
Atul H.Mehta	1,693.03	1,372.41
Bhavesh H.Mehta	1,473.45	1,107.54
Bhavesh M. Mehta	15.39	20.41
Falguni A. Mehta	6.16	20.46
Forum B. Mehta	10.26	17.95
Ajay H. Mehta	120.36	15.05
Nisha S. Mehta	-	30.74
Sunil M. Mehta HUF	-	51.24
Kamal M. Mehta	15.39	-
Yash A.Mehta	2.56	-
Pristine Care Products Pvt. Ltd.	6.34	-

## Notes to the consolidated financial statements (Contd.)

### NOTE 38: OUTSTANDING DUES OF MICRO ENTERPRISE AND SMALL ENTERPRISE

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.

### NOTE 39: VALUATION OF IMPORTS CALCULATED ON C.I.F. BASIS

Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2019 is ₹ **74075 Lakh** (Previous year ₹ 66164 Lakh).

### NOTE 40: FOREIGN CURRENCY TRANSACTIONS

#### Expenditure in Foreign currency:

(₹ in Lakh)

Particular	Current Period	Previous Period
Travelling	90.67	111.20
Mercantile Trade Purchase	13243.14	13610.36

#### Earnings in Foreign Currency

(₹ in Lakh)

Particular	Current Period	Previous Period
Mercantile Trade Sale	13375.57	13746.16





# Notice

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Compugate Infocom Limited will be held on Wednesday, 21<sup>st</sup> day of August 2019 at 10.00 A.M. at Hotel Bawa International, Near Domestic Airport, Next to Orchid Hotel, Vile Parle East, Mumbai 400 099 to transact the following business:

## ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2019 and the reports of the Directors and the Auditors thereon.**
- To declare dividend on Equity shares for the financial year ended 31<sup>st</sup> March 2019.**
- 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.**

## SPECIAL BUSINESS:

- 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 terms 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 31<sup>st</sup> March 2020 as may be mutually agreed upon by the Board of Directors and the Accountants."

- To re-appoint Mr. Ganesh Shiva Ganesh (DIN: 00010877) as an Independent Director and in this regard, pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ganesh Shiva Ganesh (DIN: 00010877), who was appointed as an Independent Director and who holds office as an Independent Director up to 22<sup>nd</sup> August 2019 and that he has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, commencing from 23<sup>rd</sup> August 2019 to 22<sup>nd</sup> August 2024.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

- To re-appoint Mr. Vijay Agarwal (DIN: 00058548) as an Independent Director and in this regard, pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Vijay Agarwal (DIN: 00058548), who was appointed as an Independent Director and holds office as an Independent Director up to 22<sup>nd</sup> August 2019 and that he has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, commencing from 23<sup>rd</sup> August 2019 to 22<sup>nd</sup> August 2024.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

- To appoint Mrs. Fatima Hussaini Nasab (DIN: 08507217) as an Independent Director and in this regard, pass the following resolution as a Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other

## Notice (Contd.)

applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mrs. Fatima Hussaini Nasab (DIN: 08507217), who was appointed as an Additional Non-Executive Independent Director of the Company with effect 13<sup>th</sup> July 2019, and whose term expires at this Annual General Meeting, and in respect of whom the Company has received a notice, in writing, from a member proposing her candidature for the office of an Independent Director not liable to retire by rotation, be and is hereby appointed as Independent Director of the Company to hold office for a term of 5 (five) consecutive years, commencing from 23<sup>rd</sup> August 2019 to 22<sup>nd</sup> August 2024.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

### 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](mailto:investors.relations@compuageindia.com)

### 8. To amend the Articles of Association of the Company and in this regard, pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), approval of the Members be and is hereby accorded to alter the existing Articles of Association of the Company ("Articles") by replacing the existing set of Articles with the new set of Articles of Association of the Company."

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

By order of the Board  
For **Compuage Infocom Limited,**

Sd/-

**Disha Shah**

**Company Secretary**

**Place:** Mumbai

**Date:** 13<sup>th</sup> July 2019



## Notice (Contd.)

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

Corporate members intending to send their authorised representative to attend the meeting are requested to send a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.

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

3. The Register of Members and the Share Transfer Books of the Company will remain close from Wednesday, 14<sup>th</sup> August 2019 to Wednesday, 21<sup>st</sup> August 2019 (both days inclusive) for the purpose of declaration of dividend, if any, approved by the Members.
4. The Dividend for the year ended 31<sup>st</sup> March 2019 as recommended by the Board, if approved by the Members at the Annual General Meeting will be paid on or after 22<sup>nd</sup> August 2019 to those members whose names appear in the Company's Register of Members on 13<sup>th</sup> August 2019. 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 (Listing Regulations, 2015, with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
6. Electronic copy of the 20<sup>th</sup> Annual Report 2018-19, 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 20<sup>th</sup> Annual Report 2018-19, 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 31<sup>st</sup> March 2019, so as to enable the Company to keep the information ready.
  - ii. Bring their copy of the Annual Report, Attendance slip and their photo identity proof at the Annual General Meeting.  
  
Members who hold shares in dematerialised form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
  - iii. Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company / R&TA.
  - iv. Quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
  - v. Approach the R&TA of the Company for consolidation of folios.
  - vi. Avail Nomination facility by filing in form SH-13 in accordance with Section 72 of the Companies Act, 2013 and forward the same to the R&TA, if not done. (Applicable for those holding shares in physical form).
  - vii. Send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, Link Intime India Private Limited upto the date of book closure.

#### LINK INTIME INDIA PRIVATE LIMITED

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

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

## Notice (Contd.)

Company for the payment of dividend. The Company or its Registrars and Transfer Agents, 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

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
2011-12 (Final)	30.08.2012	28.10.2019
2012-13 (Final)	07.09.2013	07.11.2020
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
2016-17 (Final)	23.09.2017	25.11.2024
2017-18 (Final)	28.09.2018	02.12.2025

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 20<sup>th</sup> Annual General Meeting and the Annual Report 2018-19 will be available on the Company's website, [www.compaugeindia.com](http://www.compaugeindia.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

National Stock Exchange of India Limited and applicable listing fees have been paid upto the 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, 1<sup>st</sup> and 2<sup>nd</sup> Saturdays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

require communication in physical form in addition to e-communication, or have any other queries, may write to us: [investors.relations@compaugeindia.com](mailto:investors.relations@compaugeindia.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



## Notice (Contd.)

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 Sunday, 18<sup>th</sup> August 2019 (9:00 am) and ends on Tuesday, 20<sup>th</sup> August 2019 (5:00 pm). During this period, Members' of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date of 14<sup>th</sup> August 2019, 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. Members who have registered their email Id with the Company / RTA / Depository Participants will receive an email from NSDL while the Members who have not registered their email Id will receive a physical copy of Annual Report along with Attendance Slip of the 20<sup>th</sup> AGM wherein EVEN no, User ID and Password will be provided. The process and manner for remote e-voting is as under:

*The way to vote electronically on NSDL e-Voting*

system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1: Log-in to NSDL e-Voting website is mentioned below:**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter

the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from

## Notice (Contd.)

NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'Initial password'.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    1. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
    2. Now, you will have to click on "Login" button.
    3. After you click on the "Login" button, Home page of e-Voting will open.

### Details on Step 2: Cast your vote electronically on NSDL e-Voting system is given below:

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to [bhattivirendra1945@gmail.com](mailto:bhattivirendra1945@gmail.com) or [bhattivirendra1945@yahoo.co.in](mailto:bhattivirendra1945@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- VI. 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.





## Notice (Contd.)

- VII. 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).
- VIII. 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 14<sup>th</sup> August 2019.
- IX. 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. 15<sup>th</sup> July 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rnt.helpdesk@linkintime.co.in](mailto: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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- X. 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.
- XI. 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.
- XII. Mr. Virendra G. Bhatt, Practicing Company

Secretary, (C.P. No.124) has been appointed for as the Scrutiniser for providing facility to the Members of the Company to scrutinise the voting and remote e-voting process in a fair and transparent manner.

- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser, by use of "Ballot Paper" or "Polling Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutiniser shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith the report of the Scrutiniser shall be placed on the website of the Company [www.compuageindia.com](http://www.compuageindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

## Notice (Contd.)

### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015:

#### 1. Details of Mr. Atul H. Mehta with reference to Item No. 3 of the accompanying Notice of the AGM:

Pursuant to Section 152(6) of the Companies Act, 2013, Mr. Atul H. Mehta (DIN: 00716869) 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, aged 58 is Chairman and Managing Director at Compuage Infocom Limited (hereinafter referred to as "CIL"). 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 over 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 specialisation in Finance from University of Portland, USA. He is not on the Board of any other listed entity. He holds 1,49,54,370 Equity Shares of the Company comprising to 23.02% of the paid up capital. He is one of the members of Stakeholder Relationship Committee of Compuage Infocom Limited. He is a brother of Mr. Bhavesh H. Mehta, Wholetime 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.

Companies (other than Compuage Infocom Limited) in which Mr. Atul H. Mehta holds Directorship and Committee membership.

#### Directorship

He acts as a Director on the Board of other below mentioned Company:

Sr. No.	Names of the Companies	Nature of interest or concern
1.	Akay Filtips Private Limited	Director
2.	Compuage Infocom (S) Pte. Ltd.	Director
3.	Inga Advisors Private Limited	Director
4.	Technology Distribution Association of India (Sec 25 of the Companies Act, 1956)	Director
5.	Inga Ventures Private Limited	Director

#### Chairperson of Board Committees

None

#### Member of Board Committees

None

#### Shareholding in the Company

As on 31<sup>st</sup> March 2019, Mr. Atul H. Mehta holds 1,49,54,370 Equity Shares of the Company.

In view of the above, the Board recommends his re-appointment.





## Notice (Contd.)

### 2. Details of Mr. Ganesh S. Ganesh with reference to Item No. 5 of the accompanying Notice of the AGM:

Pursuant to Section 149(10) of the Companies Act, 2013, an Independent Director of the Company shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company. Mr. Ganesh S. Ganesh, being eligible for re-appointment as an Independent Director and offers himself for re-appointment, it is proposed to be re-appointed as an Independent Director for another term of five consecutive years.

He is a qualified Chartered Accountant and is associated with Merchant Banking business for more than 30 years.

He has worked with Sharp & Tenan as a Chartered Accountant, 20<sup>th</sup> Century Finance Corporation Limited, Infrastructure Leasing and Financial Services and Ind Global Financial Trust Limited. Mr. Ganesh S. Ganesh is an Independent Non-Executive Director of the Company and Chairman of the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee.

Except, Mr. Ganesh S. Ganesh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. Ganesh S. Ganesh is not related to any Director of the Company.

### Companies (other than Compugate Infocom Limited) in which Mr. Ganesh S. Ganesh holds Directorship and Committee Membership:

#### Directorship

He acts as a Director on the Board of other below mentioned companies:

Sr. No.	Names of the Companies	Nature of interest or concern
1.	Neue Allianz Corporate Services Private Limited	Director
2.	Inga Foundation	Director

#### Chairperson of Board Committees

None

#### Member of Board Committees

None

#### Shareholding in the Company

As on 31<sup>st</sup> March 2019, Mr. Ganesh S. Ganesh holds 1255 Equity Shares of the Company.

In view of the above, the Board recommends his re-appointment.

### 3. Details of Mr. Vijay Agarwal with reference to Item No. 6 of the accompanying Notice of the AGM:

Pursuant to Section 149(10) of the Companies Act, 2013, an Independent Director of the Company shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company. Mr. Vijay Agarwal, being eligible for re-appointment as an Independent Director and offers himself for re-appointment, it is proposed to be re-appointed as an Independent Director for another term of five consecutive years.

He is a Qualified Practicing Chartered Accountant, specialised in Corporate Advisory, Tax and Audit field. Mr. Vijay Agarwal is an Independent Non-Executive Director of the Company and Member of the Audit Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committee.

Except, Mr. Vijay Agarwal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM. Mr. Vijay Agarwal is not related to any Director of the Company.

## Notice (Contd.)

**Companies (other than Compuage Infocom Limited) in which Mr. Vijay Agarwal holds Directorship and Committee membership:**

### Directorship

He acts as a Director on the Board of other below mentioned companies:

Sr. No.	Names of the Companies	Nature of interest or concern
1.	Themis Medicare Limited	Director
2.	Gujarat Themis Biosyn Limited	Director
3.	MEP Infrastructure Developers Limited	Director
4.	RKN Retail Private Limited	Director
5.	Aditya Birla Money Mart Limited	Director
6.	Ideal Toll & Infrastructure Private Limited	Director
7.	Aditya Birla Sun Life Pension Management Limited	Director
8.	Triveni Sangam Estate Private Limited	Director
9.	Sanskar India Foundation	Director
10.	Aditya Birla Insurance Brokers Limited	Director

### Chairperson of Board Committees:

He acts as Chairman of the Committees of other below mentioned companies:

Sr. No.	Names of the Companies	Audit Committee	Nomination & Remuneration Committee
1.	Themis Medicare Limited	-	Chairman
2.	Gujarat Themis Biosyn Limited	Chairman	Chairman

### Member of Board Committees

He acts as Member of the Committees of other below mentioned companies:

Sr. No.	Names of the Companies	Name of the Committees		
		Audit Committee	Nomination & Remuneration Committee	Stakeholder Relationship Committee
1.	Themis Medicare Limited	Member	-	-
2.	Gujarat Themis Biosyn Limited	-	-	Member
3.	MEP Infrastructure Developers Limited	-	Member	-
4.	Aditya Birla Money Mart Limited	-	Member	-
5.	Aditya Birla Insurance Brokers Limited	-	Member	-
6.	Aditya Birla Sun Life Pension Management Limited	-	Member	-
7.	RKN Retail Private Limited	-	Member	-

### Shareholding in the Company

As on 31<sup>st</sup> March 2019, Mr. Vijay Agarwal does not hold any share of the Company.

In view of the above, the Board recommends his re-appointment.



## Notice (Contd.)

### 4. Details of Mrs. Fatima Hussaini Nasab with reference to Item No. 7 of the accompanying Notice of the AGM:

Mrs. Fatima Hussaini Nasab (DIN: 08507217) is Bachelors of Homeopathic Medicine and Surgery from Maharashtra Council of Homoeopathy, Mumbai. She is studying human behavior.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 13<sup>th</sup> July 2019 approved the appointment of Mrs. Fatima Hussaini Nasab (DIN: 08507217) as an Additional Non-Executive Independent Director and her term expires at this AGM. The Company has received a notice, in writing, under the provisions of Sections 160 of the Companies Act, 2013, from a member proposing her candidature for the office of an Independent Director, not liable to retire by rotation, for a term of 5 years commencing from 23<sup>rd</sup> August 2019 to 22<sup>nd</sup> August 2024.

It is proposed to appoint Mrs. Fatima Hussaini Nasab as Non-Executive Independent Director under Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended thereof, to hold office for a term of 5 years commencing from 23<sup>rd</sup> August 2019 to 22<sup>nd</sup> August 2024.

The Company has also received intimation in form DIR-8 that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 as mentioned aforesaid and a declaration to the effect that she meets with the criteria of independence as prescribed both

under sub-section (6) of Section 149 of the Act and SEBI (LODR) Regulations, 2015.

In the opinion of the Board, Mrs. Fatima Hussaini Nasab proposed to be appointed as an Independent Director fulfills the conditions as specified in the Act and the Listing Regulations and that the proposed Director is independent of the management.

### **Companies (other than Compuage Infocom Limited) in which Mrs. Fatima Hussaini Nasab holds directorship and committee membership.**

#### **Directorship**

None

#### **Chairperson of Board Committees**

None

#### **Member of Board Committees**

None

#### **Shareholding in the Company**

Nil

Except, Mrs. Fatima Hussaini Nasab, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice of the AGM. She is not related to any Director of the Company.

In view of the above, the Board recommends her appointment.

## Notice (Contd.)

### EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

#### ITEM NO. 5:

Mr. Ganesh S. Ganesh is an Independent Non-Executive Director of the Company and Chairman of the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee.

He has served on the Board of the Company for a long span of time. Pursuant to the Act, Mr. Ganesh S. Ganesh, was appointed as an Independent Non-Executive Director to hold office for five consecutive years by the Members of the Company at the 15<sup>th</sup> AGM held on 23<sup>rd</sup> August 2014.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company. Mr. Ganesh S. Ganesh is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Also, based on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Ganesh S. Ganesh, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, it is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 23<sup>rd</sup> August 2019 upto 22<sup>nd</sup> August 2024.

He is a qualified Chartered Accountant and is associated with Merchant Banking business for more than 30 years. He has worked with Sharp & Tenan as a Chartered Accountant, 20<sup>th</sup> Century Finance Corporation Limited, Infrastructure Leasing and Financial Services Limited and Ind Global Financial Trust Limited.

Mr. Ganesh S. Ganesh holds Directorship of the Board of Directors of the under stated other Companies in India:

- Neue Allianz Corporate Services Private Limited and
- Inga Foundation

Mr. Ganesh S. Ganesh holds by himself 1255 Equity Shares in the Company.

In the opinion of the Board, Mr. Ganesh S. Ganesh fulfills the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Ganesh S. Ganesh as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any

fee by the Members 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.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ganesh S. Ganesh as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Ganesh S. Ganesh as an Independent Director for another term of five consecutive years with effect from 23<sup>rd</sup> August 2019 upto 22<sup>nd</sup> August 2024, for the approval by the shareholders of the Company.

Except, Mr. Ganesh S. Ganesh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. Ganesh S. Ganesh is not related to any Director of the Company.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

#### ITEM NO. 6:

Mr. Vijay Agarwal is an Independent Non-Executive Director of the Company and Member of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

He has served on the Board of the Company for more than 5 years before commencement of this Act. Pursuant to the Act, Mr. Vijay Agarwal, was appointed as an Independent Non-Executive Director to hold office for five consecutive years by the Members of the Company in the 15<sup>th</sup> AGM held on 23<sup>rd</sup> August 2014.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Mr. Vijay Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Also, based on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Vijay Agarwal,



## Notice (Contd.)

being eligible for re-appointment as an Independent Director and offering himself for re-appointment, it is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 23<sup>rd</sup> August 2019 upto 22<sup>nd</sup> August 2024.

He is a Qualified Practicing Chartered Accountant, specialised in Corporate Advisory, Tax and Audit field.

Mr. Vijay Agarwal holds Directorship and Membership of the Committees of the Board of Directors of the under stated other Companies in India:

- Themis Medicare Limited,
- Gujarat Themis Biosyn Limited,
- MEP Infrastructure Developers Limited,
- RKN Retail Private Limited,
- Aditya Birla Money Mart Limited,
- Ideal Toll & Infrastructure Private Limited,
- Aditya Birla Sun Life Pension Management Limited,
- Triveni Sangam Estate Private Limited,
- Sanskar India Foundation and
- Aditya Birla Insurance Brokers Limited.

Mr. Vijay Agarwal does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In the opinion of the Board, Mr. Vijay Agarwal fulfills the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Vijay Agarwal as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members 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.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services Mr. Vijay Agarwal as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Vijay Agarwal as an Independent Director for another term of five consecutive years with effect from 23<sup>rd</sup> August 2019 upto 22<sup>nd</sup> August 2024, for the approval by the shareholders of the Company.

Except, Mr. Vijay Agarwal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM. Mr. Vijay Agarwal is not related to any Director of the Company.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

### ITEM NO. 7:

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 13<sup>th</sup> July 2019 approved the appointment of Mrs. Fatima Hussaini Nasab (DIN: 08507217) as an Additional Non-Executive Independent Director and her term expires at this AGM. The Company has received a notice, in writing, under the provisions of Sections 160 of the Companies Act, 2013, from a member proposing her candidature for the office of an Independent Director, not liable to retire by rotation, for a term of 5 consecutive years commencing from 23<sup>rd</sup> August 2019 to 22<sup>nd</sup> August 2024. The Company also received the following documents from Mrs. Fatima Hussaini Nasab:

- Consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014
- Intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013
- Notice of Interest in Companies in Form MBP-1 pursuant to Section 184 (1) read with Rule 9 (1) of the Companies (Meetings of Board and its Powers) Rules, 2014 and
- a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Mrs. Fatima Hussaini Nasab (DIN: 08507217) is Bachelors of Homeopathic Medicine and Surgery from Maharashtra Council of Homoeopathy, Mumbai. She is studying human behavior. The resolution seeks the approval of members for the appointment of Mrs. Fatima Hussaini Nasab as Non-Executive Independent Director of the Company for a term of five consecutive years with effect from 23<sup>rd</sup> August 2019 to 22<sup>nd</sup> August 2024 in accordance with Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. She will not be liable to retire by rotation.

Based on the declaration received from Mrs. Fatima Hussaini Nasab under section 149 (6) of the Companies Act, 2013, in the opinion of the Board of Directors, Mrs. Fatima Hussaini Nasab proposed to be appointed as an Independent Director fulfills the conditions as specified in the Act and the Listing Regulations and that the proposed Director is independent of the management. A copy of the draft letter for the appointment of Mrs. Fatima Hussaini Nasab as Independent Director setting out the terms and conditions is available for inspection without any fee 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.

## Notice (Contd.)

The Board considers that her association would be of immense benefit to the Company.

Accordingly, the Board recommends Ordinary Resolution in relation to appointment of Mrs. Fatima Hussaini Nasab as Non-Executive Independent Director for a term of five consecutive years with effect from 23<sup>rd</sup> August 2019 upto 22<sup>nd</sup> August 2024, for the approval of the shareholders of the Company.

### **Companies (other than Compugae Infocom Limited) in which Mrs. Fatima Hussaini Nasab holds directorship and committee membership.**

#### **Directorship**

None

#### **Chairperson of Board Committees**

None

#### **Member of Board Committees**

None

#### **Shareholding in the Company**

Nil

Except Mrs. Fatima Hussaini Nasab, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice of the AGM. Mrs. Fatima Hussaini Nasab is not related to any Director of the Company.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under

Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

### **ITEM 8:**

As per the provisions of the investment agreement dated May 9, 2019 by and amongst the Company and Karvy Capital Limited Demeter Portfolio (the "Investment Agreement"), the existing Articles of Association of the Company needs to be altered to incorporate the provisions of Clause 12.2 of Investment Agreement and the related definitions. As per the provisions of Section 14 of the Companies Act, 2013, alteration of the Articles of Association of the Company requires the approval of Members by way of a special resolution.

The Board recommend the resolution proposed vide item No. 8 of the notice be passed and approved as a special resolution by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested in the said resolution.

By order of the Board  
For **Compugae Infocom Limited,**

Sd/-

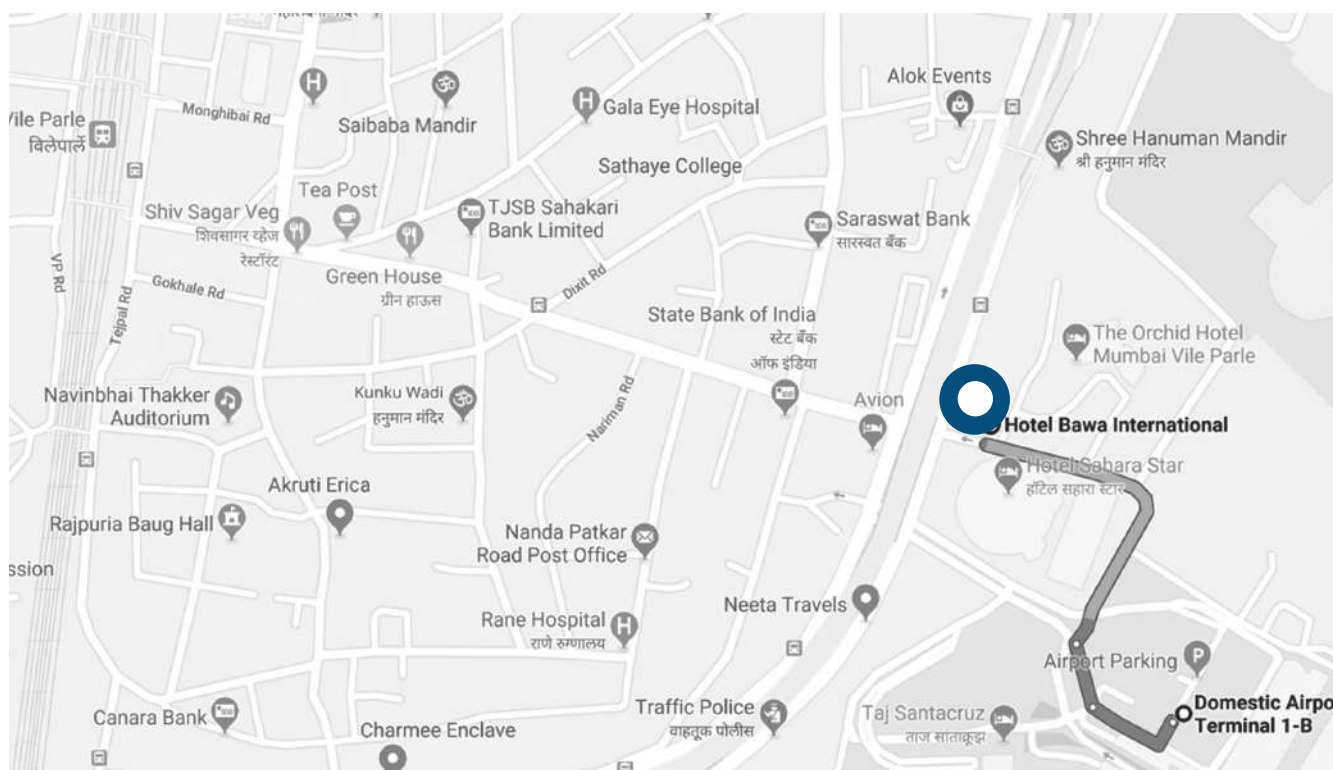
**Disha Shah**

**Company Secretary**

**Place:** Mumbai

**Date:** 13<sup>th</sup> July 2019

### **ROUTE MAP**







## 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 1<sup>st</sup> Registered Holder : \_\_\_\_\_  
Name of Joint Holder(s) : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Date : \_\_\_\_\_  
Signature of the first holder : \_\_\_\_\_

**Important Notes:**

- 1) On registration, all the communication will be sent to the e-mail ID registered in the Folio/DP ID & Client ID.
- 2) The form is also available on the website of the Company [www.compuageindia.com](http://www.compuageindia.com)
- 3) Shareholders are also requested to keep 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.

## 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](mailto:investors.relations@compuageindia.com) | Website: [www.compuageindia.com](http://www.compuageindia.com)

## ATTENDANCE SLIP

(To be presented at the entrance)

Annual General Meeting of the Company held on Wednesday, 21<sup>st</sup> August 2019 at 10.00 a.m. at Hotel Bawa International, Near Domestic Airport, Next to Orchid Hotel, Vile Parle East, Mumbai - 400 099.

Folio No. : \_\_\_\_\_  
DP ID : \_\_\_\_\_  
Client ID : \_\_\_\_\_  
Name of the Member : \_\_\_\_\_  
Signature of the Member : \_\_\_\_\_  
Name of the Proxyholder : \_\_\_\_\_  
Signature of the Proxyholder : \_\_\_\_\_

**Note:**

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.







## COMPUAGE INFOCOM LIMITED

CIN: L99999MH1999PLC135914

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

Tel: 022-6711 4444. Fax: 022-6711 4445

Email: investors.relations@compuageindia.com | Website: www.compuageindia.com

### FORM NO. MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L99999MH1999PLC135914  
Name of the Company : COMPUAGE INFOCOM LIMITED  
Registered office : D-601/602 & G-601/602, Lotus Corporate Park, Graham Firth Steel Compound, Western Express Highway, Goregaon (East), Mumbai - 400 063.  
Name of the Member(s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_

E-mail Id:	Folio No/ Client Id:	DP ID:

I / We, being the member(s) of \_\_\_\_\_ shares of the above mentioned Company, hereby appoint

- 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 : \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twentieth Annual General Meeting of the Company, to be held on Wednesday, 21<sup>st</sup> August 2019 at 10:00 am at Hotel Bawa International, Near Domestic Airport, Next to Orchid Hotel, Vile Parle East, Mumbai - 400 099 thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Resolution No.	Particulars of resolution
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 <sup>st</sup> March 2019 and the reports of the Directors and the Auditors thereon.
2.	To declare a dividend on Equity Shares for the financial year ended 31 <sup>st</sup> March 2019.
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 Branch Auditors and fix their remuneration.
5.	To re-appoint Mr. Ganesh Shiva Ganesh (DIN: 00010877) as an Independent Director.
6.	To re-appoint Mr. Vijay Agarwal (DIN: 00058548) as an Independent Director.
7.	To appoint Mrs. Fatima Hussaini Nasab (DIN: 08507217) as an Independent Director.
8.	To amend the Articles of Association of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature \_\_\_\_\_

Signature of Proxy holder \_\_\_\_\_

Affix a  
One Rupee  
Revenue  
Stamp

#### Note:

This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.





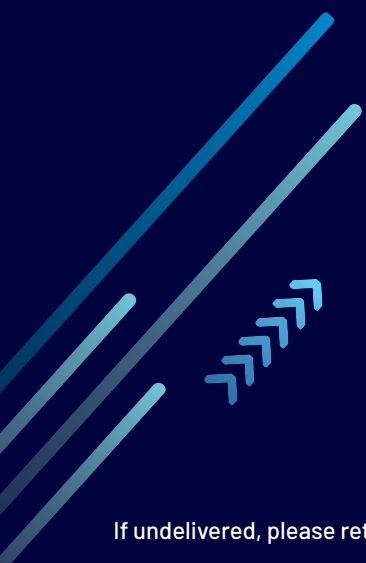
## Notes

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## Notes

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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](mailto:investors.relations@compuageindia.com)

