



COMPUAGE INFOCOM LTD.

Speed ... Reliability ... Valueperformance

Report  junction.com

2nd Annual Report

2000-2001



COMPUAGE INFOCOM LTD.

Second Annual Report 2000-2001

Board of Directors

Atul H. Mehta
Ajay H. Mehta
Bhavesh H. Mehta
G. S. Ganesh
C. Subramaniam

Registered Office

A-3, Gagel, 152, Greams Road, Chennai - 600 006.

Corporate Office

21-A Film Centre, Tardeo Road, Mumbai - 400 034.

Registrar & Share Transfer Agents

Intime Spectrum Registry Pvt. Ltd.
260, Shanti Indl. Estate,
Sarojini Naidu Road,
Mulund (W), Mumbai - 400 080.

Auditors

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

Branches

Ahmedabad, Bangalore, Calcutta, Cochin, Chandigarh, Chennai,
Mumbai, New Delhi, Hyderabad, Pune, Nagpur, Indore, Jaipur

Bankers

Bombay Mercantile Co-Op. Bank Ltd.
CITI Bank
HDFC Bank
ICICI Bank



DIRECTORS' REPORT

To the Members of Compuage Infocom Ltd.

Your Directors have pleasure in presenting the Second Annual Report for the year ended 31st March, 2001.

1. Financial Results :

	Current Yr. 2000-2001 (Rs. in Lacs)	Previous Yr. 1999-2000 (for 6 mths) (Rs. in Lacs)
Sales and Other Income	23970.93	8590.26
Profit before Taxation and Depreciation	235.25	88.60
Less : Depreciation	21.24	10.44
Profit after depreciation	214.01	78.16
Less : Provision for Taxation	18.14	9.03
Profit after tax	195.87	69.13
Balance Brought forward	0.84	48.85
Excess Provision written back	6.42	-
Amount available for appropriations	203.13	117.98
Proposed Dividend	149.42	90.28
Tax on Dividend	15.24	19.86
Transferred to General Reserve	20.00	7.00
Balance in Profit and Loss Account carried forward	18.47	0.84

2. Restructuring of the Company :

Your Directors are pleased to inform the members that all formalities and procedures for legal, financial and accounting matters arising out of scheme of Arrangement and Amalgamation, as approved by the High Court of Chennai and Mumbai have been complied with. So far as the listing of your Company is concerned, as per the order of the Court, with the Stock Exchange at Chennai, Mumbai & Ahmedabad, your Directors are pleased to inform that applications have been made with the relevant stock exchange and we are informed that in principle our application have been approved and formal letter of informing of admitting as member of the exchange will be released at the earliest.

**3. Recommendation of Dividend :**

Your Directors are pleased to recommend 7.5% dividend per share to the Equity Shareholders and 12% per share to the Preference Shareholders. The shareholders are requested to approve the same.

4. Expansion of Business :

With a view to make broad based structure of the Company your Directors are pleased to inform that your company has entered into the joint venture agreement with the Foreign Company by acquiring 50% share in business interest in Informatic Systems Incorporation - U.S.A. and to increase later on upto 76% of the total share.

So far as the distribution business line of activity is concerned the Company shall be strengthening the reach of the Company to the Customers by establishing more Branches in the various states.

Further the Directors are also pleased to inform that for the Software line of business your Company has established 100% subsidiary at Bangalore.

The Company also plans to establish either subsidiaries and/or branches of this Company at appropriate time to obtain advantage of the business opportunity available in Singapore and London.

Your Directors are confident to achieve good results in months to come in all business line of activities.

5. Financial Requirement :

As mentioned in the earlier year the Directors are happy to inform about stronger bond of relationship with our bankers namely Citibank, Bombay Mercantile Cooperative Bank and HDFC Bank. We are also happy to mention that we have inducted Bank of Madura Ltd. now known as ICICI Bank (on the merging of former with the later).

No doubt our need of finance has increased substantially because of higher level of business due to additional line of activity which your Directors have met partly from the temporary borrowings from Business Associates, friends and balance from the bankers.

6. Directors appointment and retirement :

Your Directors seek approval of the members for the reappointment of Mr. C. Subramaniam & Mr. Atul. H. Mehta Directors who retires by rotation and being eligible offer for reappointment.

7. Auditors appointment :

The present Auditor, M/s. B.V. Dalal & Co. - Chartered Accountant, who hold office upto the conclusion of the ensuing Annual General Meeting are recommended for reappointment as the Auditors, to hold office upto the conclusion of the next Annual General Meeting. The Company has received necessary eligibility certificate from them, for the purpose of reappointment.

8. Shifting of Registered office :

After the implementation of the scheme of Amalgamation and Merger, your Company's major activities are concentrated and carried out from Mumbai. It is desired, therefore, that apart from the Corporate Office located at Mumbai, the Registered Office of the Company be located at Mumbai. Members are requested to approve the same enabling the Directors to carry out the necessary formalities in this respect.

**9. Fixed Deposit :**

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956.

10. Directors Responsibility Statement :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibilities Statement, it is hereby confirmed :

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed along with proper explanation relating to material departure :
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review.
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors had prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

11. Internal Audit :

Your Directors are pleased to inform that at all the location of the company, we have independent firms of Chartered Accountants, to carry out Internal Audit functions and to ensure adherence to various policies and procedures pronounced from time to time by the Management and also to ensure compliances with various statutory requirements.

Your Directors are also pleased to inform that they have already formed Audit Committee for the review of internal control and Auditor's Report for taking corrective actions arising therefrom.

12. Management discussions and Analysis :

Your Directors are pleased to inform the members that the outlook for Information Technology Industry covering both segments namely Hardware and Software segments is very bright and encouraging considering the support being given by the Government policies and desire of the people to adopt and absorb the latest technology in the field. Considering the usages per 1000 persons in India as compared to other countries, the scope for the expansion in the business is very large.

Though there is temporary slow down in the business growth, it is worth noting that there is great scope for the development in the industry as there exist large untapped market in interior segment of the country which if catered properly would, contribute substantially towards revenue of the company.



Your Directors are further happy to inform that your company will be the first listing company operating in the field of distribution business of computer peripherals.

Your Directors are also pleased to inform the members that they are aware of the opportunities and challenges lying ahead for the business and would like to assure the members that all efforts of the management are to achieve excellence in all spheres and achieve rank of top position.

13. Statutory disclosure :

Information relating to employees remuneration required under Sec. 217 (2A) of the Companies Act and information as to conservation of energy etc. as required under Sec. 217(1)(e) are given in Annexure 1 & 2 respectively attached herewith.

14. Acknowledgement :

Your Directors place on record their appreciation for the support, co-operation, and assistance extended by various Government Authorities, Bankers and Shareholders of the Company.

Your Directors also wish to sincerely appreciate the dedicated efforts and sincere services rendered by the staff at all levels.

For and on behalf of the Board of Directors
For COMPUAGE INFOCOM LTD.

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Place : Mumbai
Dated : 24th May, 2001

Atul H. Mehta
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE 1

Statement of Particulars of Employees under Sec 217 2 (A) for the year ended 31st March 2001

Name (Age)	Designation, Nature of duties and Date of commencement of Employment	Qualification/- Experience	Gross Remuneration Rs.	Last Employment Designation/Name of Company
Atul H. Mehta (41)	Chairman cum Managing Director (1-10-1999)	B.Com.,MBA (13)	1440000	Compuage Electronics Ltd. Chairman cum Managing Director
Ajay H. Mehta (37)	Director Executive, Mktg. & Sales (1-10-1999)	M.Com., (13)	1200000	Compuage Electronics Ltd. Director
Bhavesh H. Mehta (28)	Directors Executive Operation (1-10-1999)	B.Com. (6)	1200000	Compuage Electronics Ltd. Director

Note : 1. Nature of employment is contractual.

2. The above amounts does not include provision of gratuity and leave encashments, since the actuarial valuation separately for each employee is not available.

ANNEXURE 2

Statement pursuant to section 217(1)(e)

1. Conservation of Energy, Technology absorption - Being Electronics line of Business, there is hardly any scope for these aspects.
2. Foreign Exchange earnings - There is no foreign exchange earning but outgo in foreign currency as disclosed vide item 2.2 & 2.3 of Schedule 18 to the Accounts.

For and on behalf of the Board of Directors
For COMPUAGE INFOCOM LTD.

Place : Mumbai
Dated : 24th May, 2001

Atul H. Mehta
Chairman