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

# COMPUAGE INFOCOM LTD.



Speed  
Reliability  
Valueperformance



*11th Annual Report*

*2009-10*

**COMPUAGE INFOCOM LTD.**

Eleventh Annual Report 2009-2010

**Board of Directors**

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

**Company Secretary**

Nilufer Irani

**Registered Office**

3, Dhuru Building, 1<sup>st</sup> Floor,  
329, Vithal bhai Patel Road,  
Mumbai-400 004.

**Registrar & Share Transfer Agents**

**LINKINTIME INDIA PRIVATE LIMITED**

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

**Auditors**

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

**Branches**

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

**Bankers**

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

**NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF COMPUAGE INFOCOM LIMITED WILL BE HELD ON 14<sup>TH</sup> AUGUST 2010 AT 10 A.M. AT VICTORIA MEMORIAL SCHOOL FOR BLIND TARDEO ROAD, OPP.FILM CENTRE, MUMBAI 400 034 TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2010 and the Balance Sheet as on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on the Equity shares of the Company
3. To appoint a Director in place of Mr. Vijay Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. B.V.Dalal & Co. Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorise Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

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

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

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

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

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

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

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

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

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

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

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

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

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

## COMPUAGE INFOCOM LTD.

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

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

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

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

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

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

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

## COMPUAGE INFOCOM LTD.

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

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

By Order of the Board of Directors  
For Compuage Infocom Limited

Atul H.Mehta  
Chairman & Managing Director

Place : Mumbai  
Date: July 9, 2010

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

## COMPUAGE INFOCOM LTD.

### NOTES :

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

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

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

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

#### **LINK INTIME INDIA PRIVATE LIMITED**

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

- 7) Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the respective unpaid dividend accounts, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

## COMPUAGE INFOCOM LTD.

### INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

1. Item No. 3 of the Notice

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

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

2. Item No. 5 of the Notice

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

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

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

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

Place : Mumbai  
Date: July 9, 2010

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

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No.5**

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

**Item No.6****Raising Long-Term Funds Through Further Issue Of Securities**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Place : Mumbai  
Date: July 9, 2010

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

## DIRECTOR'S REPORT

Dear Shareholders,

The Board of Directors has pleasure in presenting the Audited Financial Statements for the year ended 31st March 2010.

### FINANCIAL HIGHLIGHTS :

The highlights of the Financial Results are:

( Rs. In Lacs)

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

### BUSINESS REVIEW:

The year gone by has been a good year with company closing on a profitable note. The company's revenue grew to Rs. 108849.36 lacs registering a growth of 35% and consolidated revenue growing to Rs. 110121.12 lacs, registering a growth of 36.20%.

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

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

### DIVIDEND:

Your Directors are pleased to recommend the payment of Dividend for the year ended 31st March 2010 at Rs. 2/- ( Rupees Two only) per share ( 20 %) on face value of Rs.10/ subject to the approval of members at the ensuing Annual General Meeting.

### FUTURE OUTLOOK:

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

### SUBSIDIARY COMPANIES:

The total number of subsidiaries of the Company as on March 31, 2010 is 3, which are as under:

- (1) Greenvision Technologies Pvt. Ltd.
- (2) ADIT E-commerce Pvt. Ltd.
- (3) Compuage Infocom (S) Pte. Ltd.

- (1) Greenvision Technologies Pvt. Ltd.

Greenvision Technologies Pvt. Ltd. was incorporated on March 19, 2008 with Compuage holding 52% of its Equity Share Capital and voting power. As on March 20, 2009 we acquired additional 24% of the Equity Share Capital of Greenvision. As at March 31, 2010, we hold 76% of the Equity Share Capital and voting power of Greenvision Technologies Pvt. Ltd.

Greenvision Technologies Pvt. Ltd. focuses on Power Solutions for the Enterprise Customers and sealed Maintenance free Batteries for the UPS segment. The Company is also exploring manufacturing of Batteries.

During the year Greenvision Technologies Pvt Ltd has achieved a turn over of Rs. 1601 lacs and has made a net profit before tax of Rs. 3.38 Lacs.

- (2) ADIT E-commerce Pvt. Ltd.

ADIT E-commerce Pvt. Ltd. was incorporated on May 17, 2008, we acquired 80% of the Equity in the Company on January 19,2010. The investment was made in the Company to take advantage of the growing online business.

- (3) Compuage Infocom (S) Pte. Ltd.

Compuage Infocom (S) Pte. Ltd. is our wholly owned subsidiary and was formed to expand our business operation in Singapore.

The Company has been granted exemption for the year ended March 31, 2010 by the Ministry of Corporate Affairs from attaching to its Balance sheet, the Individual Annual Reports of its subsidiary Companies. As per the terms of the Exemption letter, a statement containing the brief financial details of the Companies Subsidiaries for the year ended March 31, 2010 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also

## COMPUAGE INFOCOM LTD.

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

### INFORMATION TECHNOLOGY:

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

### INTERNAL AUDIT:

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

### DIRECTORS:

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

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

### AUDITORS:

The Statutory Auditors of your Company, M/s.B.V.Dalal & Co., Chartered Accountants, retire at the conclusion of the forth coming Annual General Meeting and being eligible offer themselves for re-appointment. The company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

### FIXED DEPOSIT:

The Company has accepted the Fixed Deposits and complied the provisions of Section 58A of the Companies Act , 1956 .

### DEPOSITORY SYSTEM:

The Company has entered into an agreement with the National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in dematerialized form. The Company also offers simultaneous dematerialisation of the physical shares lodged for transfer.

## COMPUAGE INFOCOM LTD.

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### STATUS OF DEMATERIALISATION OF SHARES:

NSDL and CDSL have allotted ISIN No. INE070C01029 for compulsorily Dematerialization of Shares.

### DIRECTORS' RESPONSIBILITY STATEMENT:

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm

- i) That in preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) That the directors had selected such accounting policies and applied consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2010 and the profit of the Company for the year under review;
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the annual accounts for the year ended 31st March, 2010 have been prepared on a 'going concern basis'.

### MANAGEMENT DISCUSSIONS & ANALYSIS

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

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

### CORPORATE GOVERNANCE:

A separate report on Corporate Governance is produced as a part of the Annual Report along with the Auditor's Statement on its compliance.



## COMPUAGE INFOCOM LTD.

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

The particulars relating to conservation of energy and techniques are not relevant to the Company since the Company is not engaged in any manufacturing activities and hence there is not much scope and concern to this matter for the company to take any meaningful action.

Earning in Foreign Exchange was Rs. 52.41 lacs through Merchanting Trade Activity.

The payment of foreign exchange outgoes are as under

1. Valuation of Imports calculated on C.I.F. basis for one year period ended 31<sup>st</sup> March 2010 is RS. 35631.27 Lacs. (Rs. 16442.35 Lacs in previous year)

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

### PARTICULARS OF EMPLOYEE:

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

Name (Age)	Designation, Nature of duties & Date of commencement of Employment	Qualification / Experience	Gross Remuneration Rs.	Last Employment Designation/ / Name of Company
Atul H. Mehta (49)	Chairman & Managing Director, Specialized in Finance & Strategic Planning (16.06.2000)	MBA – U.S.A (22)	60,00,000 /-	Compuage Electronics Ltd. Chairman & Managing Director
Bhaves H. Mehta (37)	Director, Specialized in Imports & Logistics (18.10.2000)	M.Com (15)	48,00,000 /-	Compuage Electronics Ltd. Director
Sunil M. Mehta (38)	Vice - President - Finance (04.05.1999)	Chartered Accountant (15)	30,50,000/-	Compuage Electronics Ltd. VP-Finance
Anand Vardhan (38)	Vice - President - Sales & Marketing (02.02.2009)	Post Graduate Degree in English (18)	35,19,987/-	American Power Conversion-Country Sales Manager

**Note :** \*1. Nature of employment is contractual

2. The above amounts does not include provision of gratuity and leave encashment,

## COMPUAGE INFOCOM LTD.

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

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

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

### CONSOLIDATED FINANCIAL STATEMENTS :

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

### ACKNOWLEDGEMENTS:

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

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

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

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

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

Place : Mumbai  
Date: July 9, 2010

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

## CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

The Corporate Governance philosophy has been scripted as under:

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

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

### CORPORATE GOVERNANCE

Your Company believes in adopting the best corporate governance practices and protecting rights and interest of stakeholders. We further believe that the shareholders have the right to know complete information on the Board of Directors and the management, their interest in the organisation as well as governance practice to be followed by them.

The report on corporate governance is divided into five parts:

- I. Board of directors
- II. Committees of the Board
- III. Disclosure
- IV. Means of Communication
- V. Shareholder Information

#### I. BOARD OF DIRECTORS

The Corporate Governance principles of the Company ensure that the Board remains informed, independent and involved in the Company and that there are ongoing efforts

towards better Corporate Governance to mitigate "non business" risks. Directors possess the highest personal and professional ethics, integrity and values and are committed to representing the long term interest of the stakeholders. The Company's business is conducted by its employees under the direction of the Chairman and managing Director and Whole Time Director and the overall supervision of the board.

The Board of Directors of the Company has appropriate composition of Executive and Non- Executive Directors including Independent Directors. The Board of Directors through their active participation ensures that the discussions and decisions on the policy matters are taken after due deliberation and in consonance with the good corporate governance practices.

During the year under review, the Board of Directors of the Company consisted of Five Directors. Three of them, i.e. Mr. G.S.Ganesh, Mr. Vijay Agarwal and Ms. Preeti Trivedi are Non-Executive and Independent Directors.

Mr. Atul Mehta is Chairman & Managing Director. The other Executive Director is Mr. Bhavesh Mehta. Hence the composition of the Board of Directors is well within the norms of Corporate Governance.

A. The details of the Board of directors of the Company are given below:

Name of Director	Designation	Directorship in no. of other public limited Companies	Other Companies Committee	
			Membership	Chairperson
Mr. Atul Mehta	Promoter, Chairman & Managing Director	2	NONE	NONE
Mr. Bhavesh Mehta	Promoter, Whole Time Director	2	NONE	NONE
Mr. G.S.Ganesh	Non-executive Independent	2	NONE	NONE
Mr. Vijay Agarwal	Non-executive Independent	6	3	NONE
*Ms. Preeti Trivedi	Non-executive Independent	NONE	NONE	NONE
**Mr. C. Subramanian	Non-executive Independent	6	NONE	NONE

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

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

#### Note:

1. The Directorship held by directors as mentioned above, do not include Alternate Directorship and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.
2. In accordance with Clause 49, Membership/ Chairmanships of only the Audit Committees and Shareholders Grievance Committees of all Public Limited Companies have been considered.
3. As required by the Companies Act, 1956 & clause 49 of the listing agreement, none of the directors hold directorship in more than 15 public companies,