

The background of the cover is a dark blue gradient. On the left side, there is a faint, intricate pattern of white circuit lines. On the right side, there are several bright, glowing white lines that form abstract, flowing shapes, resembling stylized orbits or data paths. The overall aesthetic is high-tech and futuristic.

ANNUAL REPORT

**2015-16**

COMPUAGE INFOCOM LIMITED

**PASSION AND  
PREPAREDNESS**

# Corporate Information

## Board of Directors



<b>Mr. Atul H. Mehta</b>	- Chairman & Managing Director
<b>Mr. Bhavesh H. Mehta</b>	- Whole-time Director
<b>Mr. Ganesh. S. Ganesh</b>	- Independent Director
<b>Mrs. Preeti Trivedi</b>	- Independent Director
<b>Mr. Vijay Agarwal</b>	- Independent Director

## Key Managerial Personnel



**Mr. Sunil Mehta**  
- Chief Financial Officer  
**\*Ms. Disha Shah**  
- Company Secretary  
*\*(Appointed w.e.f. 1st December 2015)*

## Statutory Auditors



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

## Secretarial Auditor



**Mr. Virendra Bhatt**  
Practicing Company Secretary

## Bankers



1. Bombay Mercantile Co-op. Bank Limited
2. Central Bank of India
3. HDFC Bank Limited
4. Indian Bank
5. Kotak Mahindra Bank
6. Standard Chartered Bank
7. Ratnakar Bank Limited
8. Punjab National Bank
9. IndusInd Bank Limited
10. IDFC Bank

## Registered Office



**Compuage Infocom Limited**  
D -601/602 & G -601/602,  
Lotus Corporate Park,  
Graham Firth Steel Compound,  
Western Express Highway,  
Goregaon (East),  
Mumbai- 400 063, India.  
Tel: 022 67114444,  
Fax: 022 67114445  
CIN: L99999MH1999PLC135914

## Registrar & Share Transfer Agent



**Link Intime India Private Limited**  
C-13, Pannalal Silk Mills  
Compound, L.B.S. Marg,  
Bhandup (West),  
Mumbai- 400 078.  
Tel: 022 25963833,  
Fax: 022 25946969

## Branches



Ahmedabad, Aurangabad, Bangalore, Baroda, Bhubneshwar, Bhopal, Chandigarh, Chennai, Coimbatore, Cochin, Calicut, Dehradun, Delhi, Ghaziabad, Goa, Guwahati, Guragaon, Hyderabad, Hubli, Indore, Jaipur, Jammu, Kolkata, Kottayam, Lucknow, Ludhiana, Mumbai, Mangalore, Madurai, Nagpur, Nasik, Parwanoo, Patna, Pondicherry, Pune, Raipur, Ranchi, Siliguri, Surat, Trivendrum, Vizag, Vijayawada, Varanasi and overseas branch at Singapore.



#### FORWARD- LOOKING STATEMENT

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

#### GO GREEN TODAY

➤ As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource 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.

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Notice

# PASSION AND PREPAREDNESS

THE INDIAN I.T. PRODUCTS DISTRIBUTION SECTOR ENCOUNTERED ONE OF ITS SLOWEST YEARS, GROWING BY A MERE 7% IN 2015-16.

COMPUAGE RESPONDED TO THIS CHALLENGING REALITY BY OUTPACING THE SECTOR AND REGISTERING PROFITABLE GROWTH.

HERE'S PROOF: COMPUAGE INCREASED ITS REVENUES BY 30.48% AND STRENGTHENED ITS PAT BY 23.16%.

THE MORAL OF THE STORY: WHEN PASSION GETS COMBINED WITH PREPAREDNESS, ANYTHING IS POSSIBLE.

## PASSION AND PREPAREDNESS LEADS TO OUTPERFORMANCE



Skeptics hinted that in a difficult market, the Company should be satisfied with flat growth.

*Compuage grew revenues 30.48% instead.*

Disbelievers felt that the slowdown would eat into the Company's margins.


*Compuage grew margins (PBT) 24 bps instead.*

Naysayers felt that the Company would need to extend credit duration to push sales.

*Compuage reduced its working capital cycle from 76 days of turnover equivalent to 70 days.*

Experts felt that an IT product distribution company would always be affected by high interest outflows.

*Compuage reduced interest outflow by 0.26% instead.*



Doubters felt that the subdued economy would escalate fund costs.

*Compuage reduced its fund cost 20 bps instead.*

Cynics felt that in a slowing economy, bad debts would increase.

*Compuage reported negligible bad debts instead.*

India is the world's second most populous country.

India is also one of the most under-penetrated markets when it comes to IT products distribution.

Compuage Infocom is one of the fastest-growing IT products distribution companies in India.





















Working with some of the largest and most respectable principals in the world.

Making products available across the farthest corners of the world in the quickest time.

Enhancing IT product ownership to help make India a dynamic proxy of the modern world.

## Principals

The Company has forged longstanding ties with several marquee international tech brands including:

 <b>TE Connectivity</b> Networking products (since 1996)	 <b>Hewlett Packard</b> Printers, scanners, all-in-one, toners, laptops (since 2006)	 <b>AOC</b> Monitors (since 2008)	 <b>Microsoft</b> Licensed software (since 2011)	 <b>Relicell</b> Batteries for diverse applications (since 2011)	 <b>Asus</b> Laptops and mobiles (since 2012)	 <b>CISCO Systems</b> Networking and security products (since 2012)	 <b>K7 Computing Private Limited</b> Anti-virus software (since 2012)
 <b>ADATA Technology Company Limited</b> Flash drives and memory cards (since 2014)	 <b>Arcserve</b> Security products (since 2014)	 <b>Liteon</b> DVD writers (since 2014)	 <b>Toshiba</b> Flash drives and memory cards (since 2014)	 <b>Checkpoint</b> Networking and security products (since 2015)	 <b>SAP Business One</b> Licensed software (since 2015)	 <b>View Paker</b> Barebone PCs (since 2015)	 <b>Lenovo</b> Accessories (since 2016)
 <b>Reliance Jio</b> Mobile devices (since 2016)	 <b>TP-Link</b> Networking and security products (since 2016)	 <b>Tyco Security</b> Networking and security products (since 2016)	 <b>BenQ</b> Projectors and monitors (since 2016)	 <b>SanDisk</b> Flash drives and memory cards (since 2016)	 <b>ADC Krone</b> Networking and security products (since 2013)	 <b>Samsung</b> Smartphones (since 2011)	 <b>Numeric</b> UPSs (since 2006)



## Vision

A world-class IT products and services company, with strong Indian values and beliefs

## Mission

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

## Identity

Established in 1987, Compuage Infocom Limited is one of India's leading IT distribution companies, with a strong IT-enabled distribution backbone.

## Presence

Headquartered in Mumbai, the Company has a visible presence in 24 states, one union territory and one overseas branch in Singapore. The Company is present across the vast Indian landmass through 42 offices, one central warehouse, three redistribution hubs, 45 warehouses and 47 service centres. The Company possesses a growing network of 10,000 channel partners across 650 cities and towns, ensuring timely product distribution across a largest geographical spread within the shortest possible time. The Company generates 50% of its revenues from B, C and D class Indian cities that account for a 40 per cent share of India's IT hardware market.

## Respect

Compuage has been growing at

a rapid pace and has in place an ambitious blueprint. The Company strengthened its credit rating from BBB to BBB+ for Long Term Bank Facilities and from A3+ to A2 for Short Term Bank Facilities (CARE). The Company's stock is listed on the BSE Limited and National Stock Exchange of India Limited; the company enjoyed a market capitalisation of Rs. 12,646.72 lac as on March 31, 2016

## Recognition

List of awards and accolades earned during FY2015-16

- 'Best National Distributor' award for year 2015 from TE Connectivity
- 'SAP Cloud Managed Partner' award for 2015
- Acknowledged by CISCO as a 'Growth Distributor' for 2015

## Compuage's values

- Integrity and fairness
- Reliability and commitment
- Team work
- Respect for all
- Human touch
- Excellence



# FINANCIAL HIGHLIGHTS

## Sales

An increase of Rs. 72,847.27 lac (FY15-16)

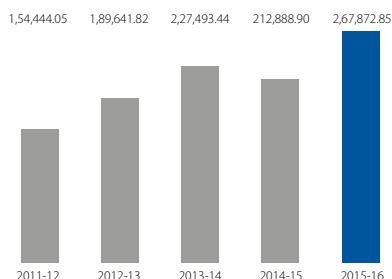
### Why this is measured

To assess the effectiveness of our product mix, geographic presence, sales focus, market proximity, network strength, brand equity and market share.

### What it reveals

Compuage registered a 30% increase in sales on the back of a prudent product mix, capable distribution network, strategic sectoral forays, robust client relationships and proven market-penetrating capabilities.

### Sales (Rs. in lac)



## EBIDTA

An increase of Rs. 581.42 lac (FY15-16)

### Why this is measured

To evaluate overall business efficiency – an improvement in margins indicates that there is adequate surplus available for redeployment.

### What it reveals

Compuage grew its EBIDTA margin by leveraging its bottomline-focused business model which allowed it to moderate overheads effectively, market products cost-competitively and rein in receivables capably.

### EBIDTA (Rs. in lac)



## Free cash

An increase of Rs. 5435 lac (FY15-16)

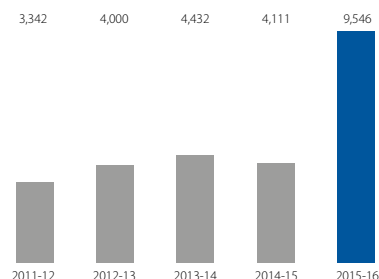
### Why this is measured

To get an estimate of an organisation's ability to grow its business without risking its balance sheet.

### What it reveals

The free cash available at the Company's hands increased by due to its keen emphasis on expanding margins and managing working capital efficiently.

### Free cash (Rs. in lac)



## Return on capital employed

An increase of 600 bps (FY15-16)

### Why this is measured

To appraise a corporate's profitability – a steady improvement in ROCE validates its financial efficiency.

### What it reveals

The Company raised additional funds during the year whereby its Return on Capital Employed has dropped marginally. This drop is only momentary.

### Return on capital employed (%)



## Gearing

A decrease of 0.04x (FY15-16)

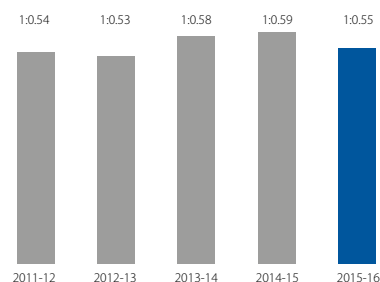
### Why this is measured

To get an insight into an organisation's financial health – a steady improvement in gearing indicates its ability to scale volumes with minimal dependence on borrowed funds.

### What it reveals

The decline in gearing corroborated the Company's ability to sustain growth in terms of profits, margins and shareholder value.

### Gearing (x)



## Interest outflow

A decrease of 27 bps (FY15-16)

### Why this is measured

To calculate the savings made in terms of debt costs which in turn can translate into enhanced margins and profits.

### What it reveals

Compuage grew its revenues by 30.48% in 2015-16 while reducing interest outflow by 0.26%.

### Interest cost as a proportion of revenue (%)

