



Speed
Reliability
Value Performance

COMPUAGE INFOCOM LIMITED

Partnering the Drive to Digitization



REACH



RELATIONSHIPS



RESOURCEFULNESS

2017-18 Annual Report



Contents

01-20

Corporate Overview

- 01 Corporate Information
- 02 Partnering the Drive to Digitization
- 04 Compuage at a Glance
- 06 Our People, Our Strength
- 07 Our Growth Strategy
- 08 Our Marquee Allies
- 09 Our Business Model
- 10 Chairman's Message
- 12 Reach
- 14 Relationships
- 16 Resourcefulness
- 18 Financial Highlights

21-57

Statutory Reports

- 21 Directors' Report
- 35 Corporate Governance Report
- 49 Management Discussion and Analysis Report

58-104

Financial Statements

- 58 Standalone Financial Statements
- 90 Consolidated Financial Statements

122

Notice

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. 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. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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

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

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

Bankers

Bombay Mercantile Co-op. Bank Limited

Central Bank of India

HDFC Bank Limited

IDBI Bank Limited

IDFC Bank

Indian Bank

Kotak Mahindra Bank

Punjab National Bank

RBL Bank Limited

Branches / Warehouses / Service Centers:

Agra, Ahmedabad, Amritsar, Aurangabad, Bengaluru, Baroda, Bhilai, Bhubaneswar, Bhopal, Buldhana, Burdwan, Chalakudy, Chandigarh, Chennai, Coimbatore, Kochi, Calicut, Dehradun, Delhi, Faizabad, Ghaziabad, Goa, Guwahati, Gurugram, Hyderabad, Hubli, Indore, Jaipur, Jalgaon, Jammu, Jamshedpur, Jabalpur, Jorhat (Assam), Kandivali, Kannur, Kanpur, Kazhakuttom, Kolkata, Kollam, Kottayam, Lucknow, Ludhiana, Midnapore, Mumbai, Mangalore, Madurai, Muzaffarpur, Nagpur, Nasik, Palakkad, Parwanoo, Patna, Puducherry, Pune, Raipur, Ranchi, Rajkot, Siliguri, Surat, Tinsukia (Assam), Thiruvananthapuram, Varanasi, Vashi, Vizag, Vijayawada, Washim and an overseas branch in Singapore

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

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.



Partnering the Drive to Digitization

India is gradually emerging as a digital economy. In fact, the confluence of technology, new initiatives such as fintech, e-aadhaar and data security and a progressive regulatory environment are offering radically new possibilities in achieving the Government's vision of creating a Digital India. Research indicates that digitization will increase India's GDP growth.

As digitization is increasingly considered to be the key for nation's success, an improved quality of life is envisioned. With the ways of digital technology, quality education can be delivered to millions, and primary healthcare services can be accessed from remote corners of the country. Digitization thus is now a requisite for the country's economic well-being and the recent focus of the Government with new initiatives like the BharatNet, increased spending on digital infrastructure and public wifi systems is the right step indeed towards digitally empowering the country.

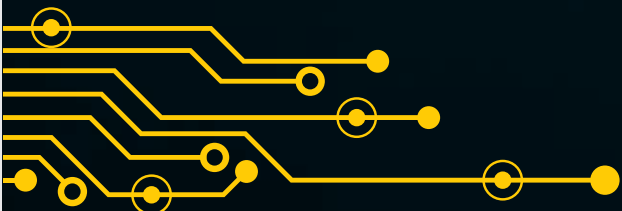
Today, retail customers perhaps even in remote areas are being rapidly exposed to a host of digital interfaces.

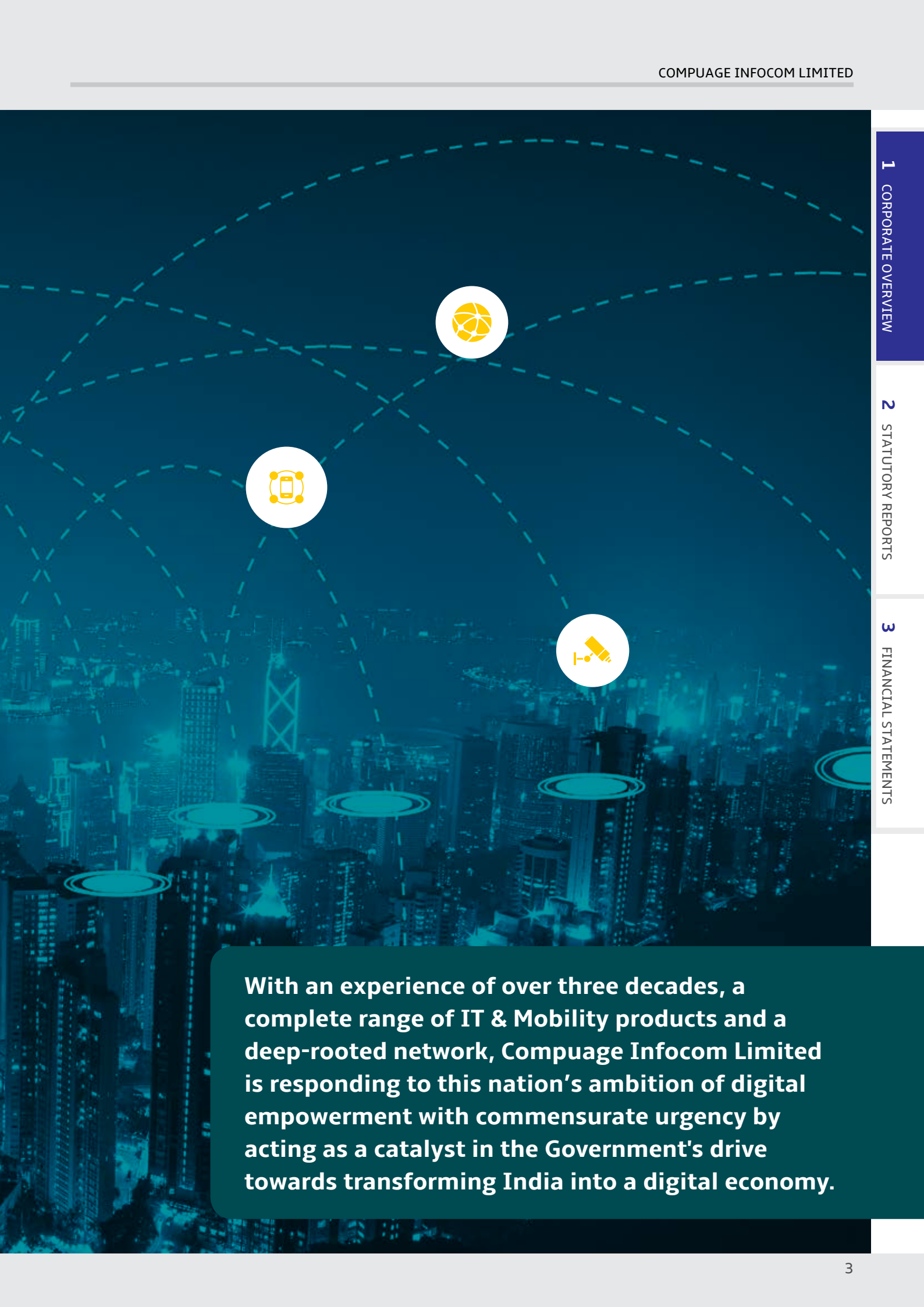
90% of organizations in India are in the midst of digital transformation. More and more organizations in India are adopting new measures to evaluate their ability and success in digital transformation.

Key digital trends have triggered transformation towards digitization in the way we conduct businesses today.

Despite the recent uproar with digitization, our state of readiness - is far from ideal, as a serious divide exists between the unserved and the served. India's high internet usage is still not commensurate with internet penetration, which stands pretty low compared to the other developed nations. Lack of robust infrastructure, high set-up costs and lack of data security along with low internet penetration are some of the key roadblocks on the way.

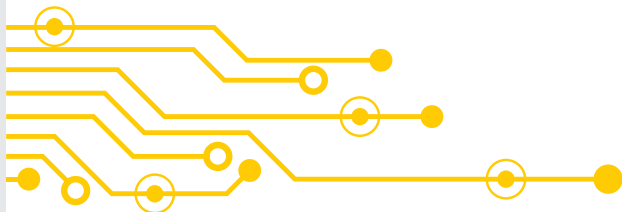
Despite the increasing spread on internet in the remote corners of the country, citizens opine the nation's aim of digital empowerment cannot be fulfilled only by increased internet penetration, without the right equipment, devices and software solutions.





With an experience of over three decades, a complete range of IT & Mobility products and a deep-rooted network, Compuage Infocom Limited is responding to this nation's ambition of digital empowerment with commensurate urgency by acting as a catalyst in the Government's drive towards transforming India into a digital economy.

Compuage at a Glance



At Compuage Infocom Limited, we have always strived to bring world-class IT and Mobility products through esteemed Channel Partners who make a positive difference in the day-to-day working of end customers.

Identity

Established in 1987, Compuage Infocom Limited (hereinafter referred to as "Compuage / Company") is one of India's leading IT and Mobility products distribution intermediary with a revenue of over ₹ 4,07,440.78 Lakhs as of March 31, 2018.

One of the Indian Fortune 500 Companies, Compuage is driven by the overarching objective of bringing world-class products to India and the SAARC nations. This is coupled by empowering them with top-of-the-line technology products through a deep-rooted distribution network.

Ethos

As a distribution intermediary, the flagship business of the Company involves marketing and distribution of a wide variety of IT and Mobility products like hardware, software, networking, data management and storage management among others.

Compuage is engaged in aggressive market development through a large national reseller network, maintaining the highest level of sales, marketing, operational and technical support. We have emerged as one of the leading players in India in our specialized field.

Wide Distribution Network

Compuage possesses a vibrant distribution network of over 12,000 Channel Partners, one of the largest within its industry space. We ensure the availability of our comprehensive product and service portfolio across the vast geographical spread in the shortest possible time.

Our Vision

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

Our Mission

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



REWARDS AND RECOGNITION BAGGED DURING THE YEAR

Received in CY2017

- Cisco **Best Performer** Award
- Hanwha Security Surveillance **Best Partnership** Award
- **Best Distributor by HP** for
 - Consumer Notebook – Best Y-O-Y Notebook Growth
 - Consumer Printer – Modern Retail
- **Best Individual Contributor for HP Supplies** – Alternate Pipe
- LG **Best Performer** Award
- **Distributor of the year** award – Tyco

Received in CY2018

- **Best Distributor** Award by ASUS
- **Best Sales Team** Award by ASUS
- **Best AMP Net Connect Distributor** Award by Commscope
- **Best Managed Distributor** Award by Commscope

Our Values

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

PRODUCTS WE OFFER

PC, Components and Peripherals

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

**Enterprise Solutions**

- Passive Networking
- Active Networking
- Power
- Security
- Software

**Physical Safety and Security**

- Video Surveillance
- Access Control
- Notification and Response
- 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



WHERE WE ARE



Headquartered in Mumbai, India, the Company has extended its reach in more than
1,000 cities across India
 through Branch Offices, Service Centers and Channel Partners.



The Company marked its international presence in July 2012 with the setting up of
an office in Singapore to service the SAARC nations.

Our People, Our Strength

Diversity of thought is our motto and this diversity is embraced by our people who are encouraged to think out of the box and thus innovate. Our culture of collaboration means that with every client, the expertise of our entire firm is shared.

We believe that Compuage's success is largely based on our people resource.

We firmly believe that performance, knowledge and skills of our employees are central to our success. Therefore, the underlying policy at Compuage is to attract and retain the best talent through emphasis on core values of

trust, continuous learning, satisfying and rewarding work environment and healthy teamwork.

At Compuage, we are committed to empowering our people who play a









key role in retaining the competitive edge and reputation of the Company. Therefore, we never hesitate in developing and investing in them. Aligned to this philosophy, we have followed the path of not outsourcing any work.



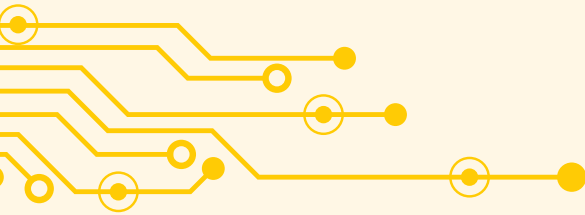
Employee development, training and empowerment is at the core of the Company's agenda. In keeping with this approach, we provide strategic training in sales and marketing as well as carry out programs to update them on the latest trends in IT and the Mobility space.

We seek to maintain a culture of collaboration and innovation, creating a talented and diverse workforce. We have consistently maintained a high rate of retention and have put in place an efficient rewards and recognition mechanism to attract and retain the best talent.

Our Growth Strategy

	INTENT	APPROACH	AIM
Market leadership 	 To emerge as a major respected IT & Mobility products distribution intermediary in regions of its presence.	Compuage enjoys alliances with renowned global players enabling it to deliver superior quality products. Successful diversification into new businesses like Mobility products and Cloud Computing has helped us emerge as a complete solutions provider for IT & Mobility related needs. The Company's newest businesses along with the established ones are poised to become our promising future growth drivers.	To emerge as India's leading IT and Mobility products distribution intermediary with a progressive turnover of ₹ 7,000 Crore by 2021
Market expansion 	 To facilitate the availability of Compuage's products across every corner of India.	Compuage has a deep-rooted distribution network strategically located to key points-of-sales, making it possible to leverage timely specific competencies and logistical advantages.	To increase our reach and penetration from 1,000 cities to 1,200, and partners from 12,000 to 15,000 by 2021.
Strategic promotion 	 To position ourselves not only as the most reliable IT and Mobility products distributor but also as one of the most reliable IT-enabled service delivery houses.	Conducted extensive promotion schemes and road shows which enhanced product visibility and thus created consumer pull. Organized strategic marketing campaigns to help the end-users and the channel partners understand the benefits of the different products including Cloud Computing. Thus enhancing market position and sales.	To strengthen its foothold in the new ventures of the business.
Product basket restructuring 	 To focus on products with higher profitability.	Efficiently restructure the product mix with a greater focus on the higher profitability segment.	To focus on enhancing the revenue proportion of the fast-growing mobility segment and cloud computing business. Enhance penetration in the mobile sector and cloud computing business, seeking to increase high growth areas, from 15% at present to 30% by 2021.

Our Marquee Allies



MOBILE DEVICES

Mobile Accessories	Smart Phones	Tablet
 Authorised Distributor		



PHYSICAL SAFETY & SECURITY

Video Surveillance	Access Control	Intelligent Video Management	Notification & Response
  		 Software House 	



PCs, COMPONENTS & PERIPHERALS

Peripheral Supplies	Memory Products	Laptop, Desktops & AIOs	Accessories	Projectors & Displays
 		 IN SEARCH OF INCREDIBLE  	 Targus	  




ENTERPRISE SOLUTIONS

Software	Passive Networking	Active Networking	Digital Signage	Security	Power
   	   SYSTEMAX SOLUTIONS	  LINKSYS	 	 	



CLOUD SOLUTIONS

Cloud CRM	IAAS	Cloud HRMS	Accounting & GST	Website & SEO	Cloud Security	Productivity & Chatbot	Email Migration & Back Up
  	 	 	 UdyogSoftware			 	 VAULTASTIC