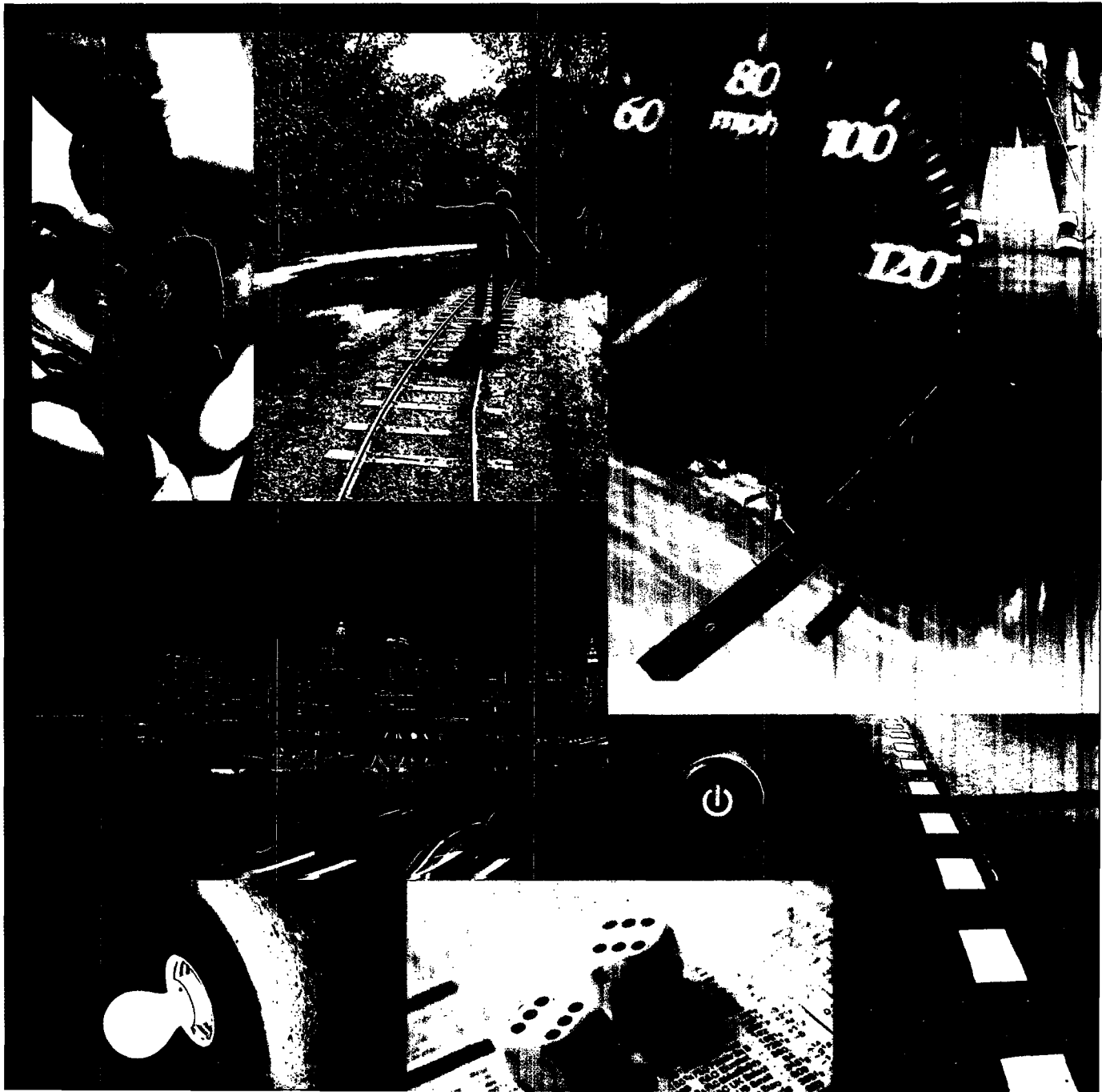


COMPUAGEINFOCOM Ltd.

Annual

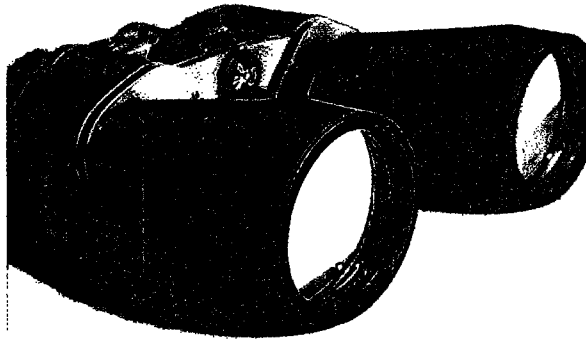
REPORT 0708



REFLECTIONS OF THE PAST, VISIONS OF THE FUTURE

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VIEWGLASS

CORPORATE INFORMATION

Board of Directors

Mr. Atul H Mehta	Chairman & Managing Director
Mr. Bhavesh H Mehta	Director, Business
Mr. G. S. Ganesh	Director
Mr. C. Subramaniam	Director
Mr. Vijay Agarwal	Director

Senior Management

Mr. Atul H Mehta	Chairman & Managing Director
Mr. Bhavesh H Mehta	Director, Business
Mr. Sunil M Mehta	VP - Finance
Mr. Shreyas Vyas	CIO
Mr. Sagar Abraham	National Service Manager
Mr. Sanal G	DGM - Sales
Mr. Deepak Karia	DGM - Sales
Mr. Bibhas Roy	DGM - Sales

Auditors

M/s B. V. Dalal & Co.,
Chartered Accountants,
2A, Shreepant Bhuvan, 1st floor, Sandhurst Bridge, Mumbai - 400 007.

Bankers

Barclays Bank
Bombay Mercantile Co-op. Bank Ltd.
CITI Bank N.A
HDFC Bank Ltd.
ICICI Bank Limited
Indian Bank
Indian Overseas Bank
Kotak Mahindra Bank
Standard Chartered Bank

Registered Office

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

Branches

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

Registrar & Share Transfer Agent

Intime Spectrum Registry Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai-400 078.



OURVISION, OURMISSION

To be a world class Information Technology products and services company, with strong Indian values and beliefs.

To distribute leading 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 to its employees. To maximize returns and offer consistent and continued growth to its share holders.



We.

3We

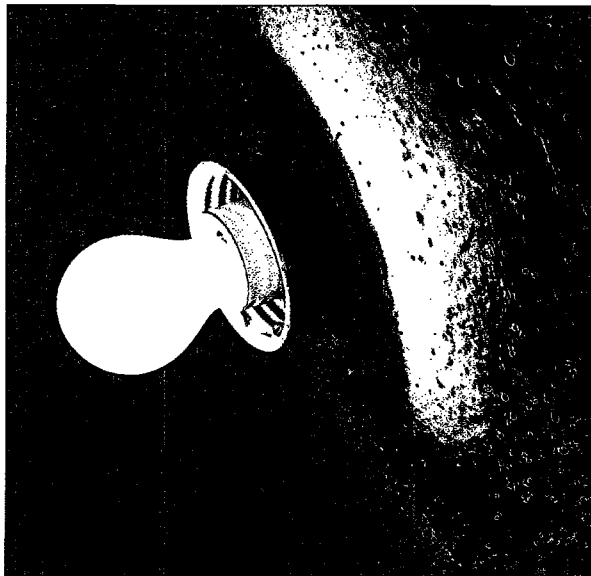
6Compuage Speed

8Compuage Reliability

10Compuage Value Performance

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SPEEDOFLIGHT300000000m/s, WEAREFASTER

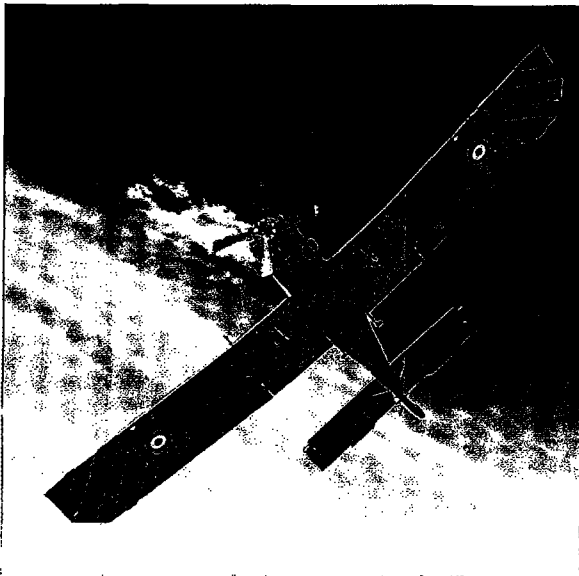
COMPUAGESPEED

India's GDP recently crossed the trillion-dollar mark for the first time and with this India has joined the elite club of 12 countries with a trillion dollar economy. We are one of the fastest growing economies in the world today, with strong macroeconomic fundamentals fueling this acceleration.

The industrial growth in India is a major contribution of the growth & development of the IT Industry which forms the backbone of any other industry under consideration. Indian IT industry has built up valuable brand equity for itself in the global markets and is considered as a pioneer in software development and a favorite destination for IT-enabled services.

At Compuage, we had foreseen this rapid growth in early years and had taken steps to ensure current sustenance and future growth. The requirements of the Indian IT market – both in volumes & technology have grown exponentially and so have we.

We had started as a small team working out of our Mumbai office and today we are a 45 branch strong organization, spread across the length & breadth of India. We have more than a dozen global IT giants in our product portfolio, ensuring that you get the latest cutting edge technology as soon as it enters the global circuit! Speed – Compuage Speed.



RELIABILITY 102300000 passengers/day, WEAREBETTER.

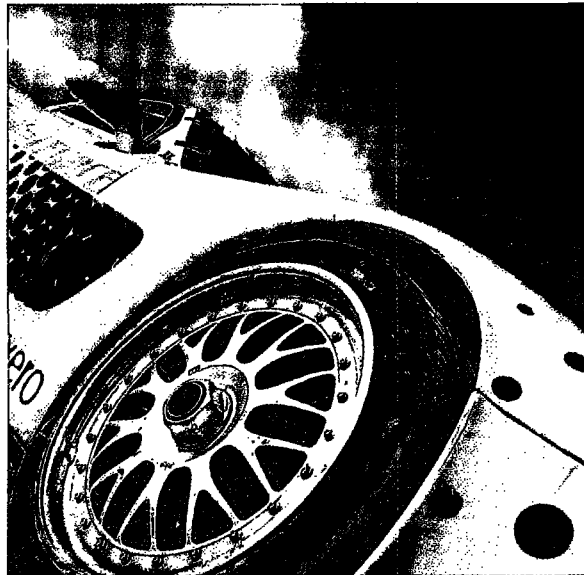
COMPUAGERELIABILITY

Reliability (systemic definition) is the ability of a person or system to perform and maintain its functions in routine circumstances, as well as hostile or unexpected circumstances.

With 45 branches, 400+ professionals, 6000+ partners, and over a million trusted and valued customers, the name Compuage is a guarantee in itself! We ensure that our customers get top quality treatment and service that is the true definition of Reliability.

Every minute of your time is precious and we ensure that every second is valued enabling you to sit back and enjoy it! We understand that in a business there is nothing called idle time and our after sales services will ensure the same.

Having being awarded the Best Distributor, Asia Pacific, by Creative Labs, is an apt citation of our Reliability, Compuage Reliability!



VALUEPERFORMANCE441kmph - 1250bhp, WEDELIVER.

COMPUAGE VALUE PERFORMANCE

Managing performance is very important to success. Indeed most organizations make a sizable investment every year in processes and technology designed to improve individual performance & organizational results.

We believe in Driving performance through a unified approach towards performance & performance management. We focus on productivity and efficiently executing organizational strategy, resulting in a sustained competitive advantage that drives revenue, cuts cost and improves profitability.

Performance management is not so much a set of single, independent processes; rather it is a series of interrelated processes, the combination of which is critical to the achievement of organizational and individual goals and performance.

At Compuage we Align the strategic objectives, plans and budgets of various departments that make up Compuage, Measure historical performance, with an orientation towards financial measures of organizational performance, Report organizational performance, especially gaps between expected & actual performance, Analyze & optimize strategy to maintain alignment of the corporate strategy – Ensuring Value Performance, Compuage Value Performance!



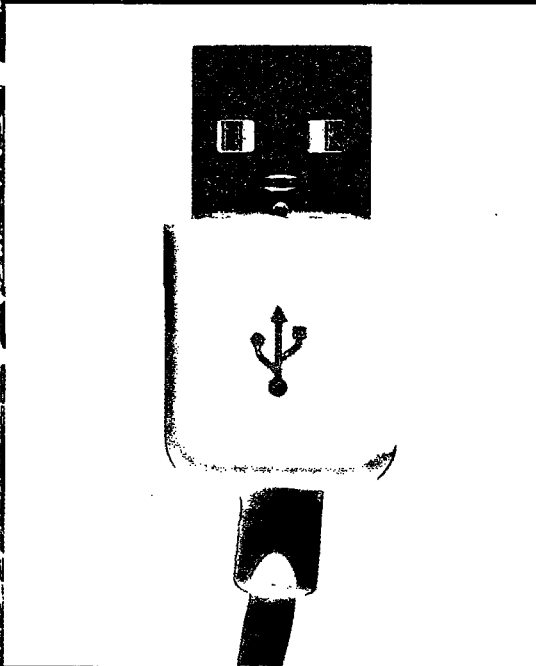
THECOMPLETECIRCLE.

COMPUAGEREFLECTIONS

What goes around, comes around! We are in our 21st year of service, and cherish every moment of our past. We have been through ups & downs, joys & sorrows, have seen markets soar and seen them crash. We have survived, and as Charles Darwin said – "Survival of the Fittest"

We have been setting Milestones all the way and have come a long way, and the journey still continues. We know where our destination lies, and we are marching towards it.

We take immense pleasure in sharing with you our rich history which in a strong manner has been critical in shaping the Indian IT distribution Industry. Compuage Reflections – The Complete Circle!



1991

Ventured into peripherals and took dealerships of several companies.

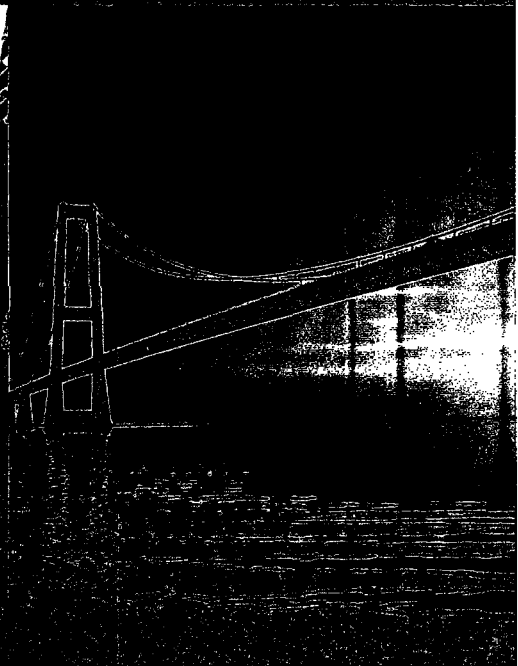
PERIPHERAL - IZATION



1992

Operations start in Bangalore, Delhi & Secundrabad.

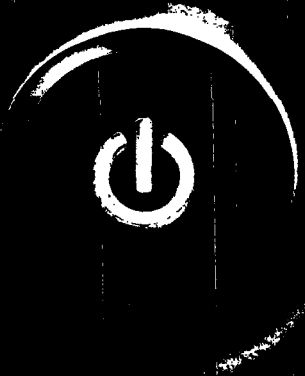
EXPANSION
PHASE I



1995

Started overseas sourcing and procurement. Entry into bulk sales of peripherals across India.

CROSS OVER



1987

A team of 2 people
who supplied computer
consumables to the corporate.

THE START



1988

Trading of computer
consumables and supplying
to channels across India.

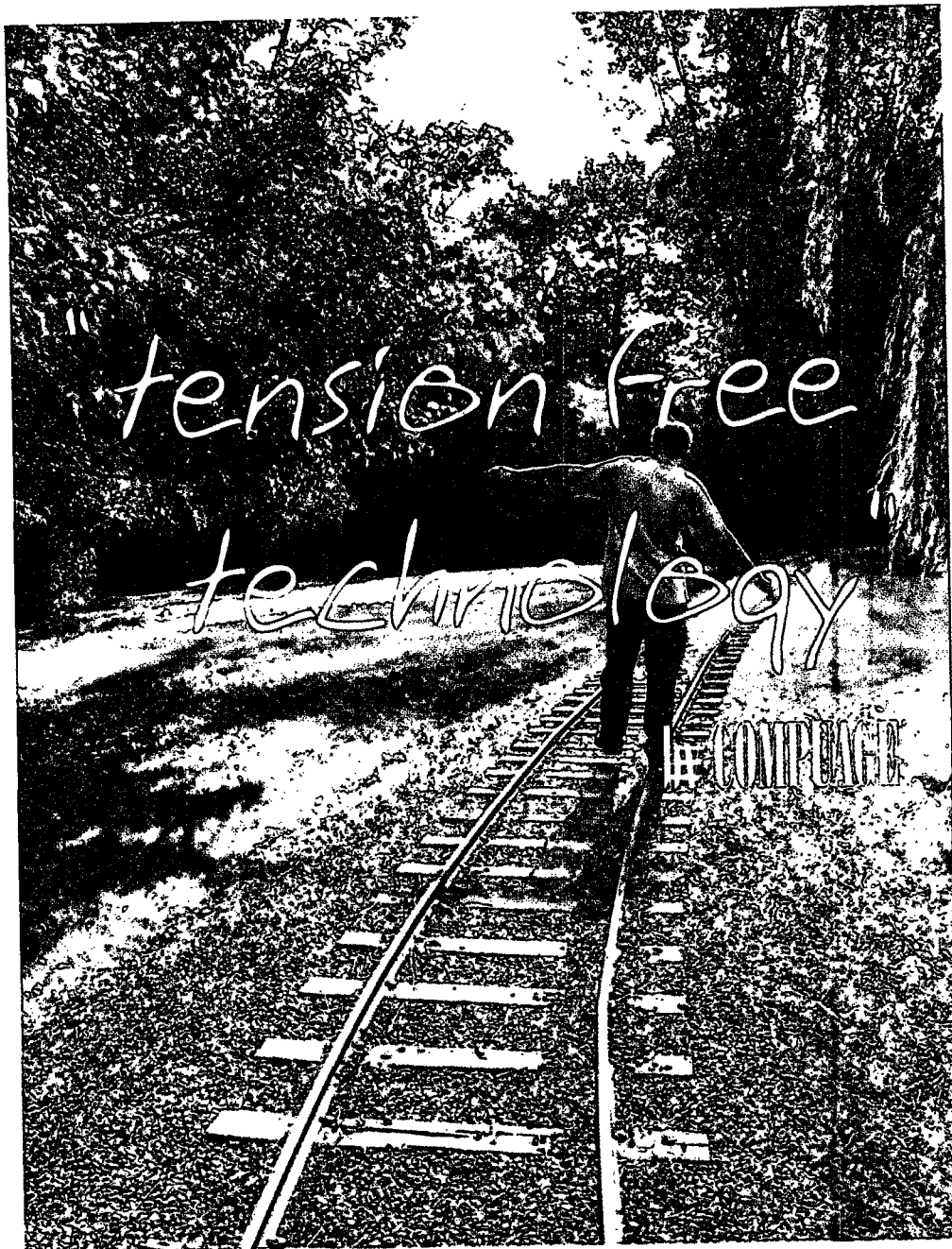
CHANNEL SALES



1990

Ventured into
Organized Business
Dealership of Consumables

ORGANIZED
BUSINESS



CORPORATECAMPAIGN, Q32007

Compuage



20 Years!

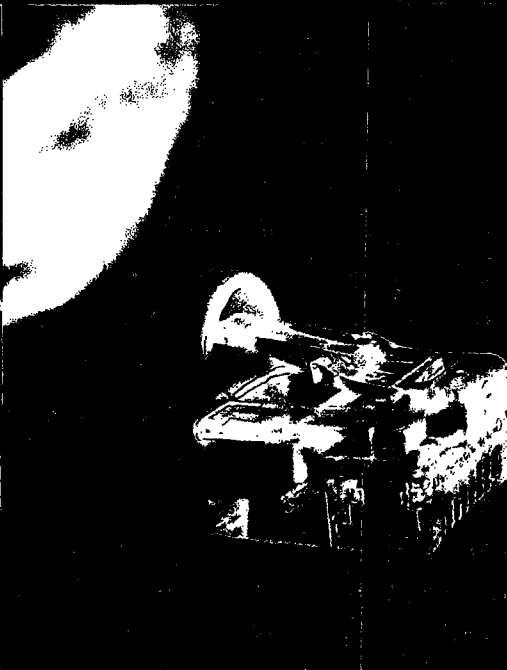
Flying high with Technology!

CORPORATECAMPAIGN, Q42007



2000

"Business Leadership Program"
meet in Bangkok.
Growing at an
unmatched pace with
the opening of its 15th branch.



2001

"Business Leadership Program"
meet in Hyderabad.
Implementation of ERP,
first time in a mid size
distribution company.



04-06

Expansion continues
37 branches and counting.
Rapid Growth of the
Product line and the
Compuage Team.

15 & COUNTING

ERP IMPLEMENTATION

GROWTH PHASE



1996

The Age of
"Organized Distribution"
Tie - up with Creative.
Working on many more tie - ups.

ANCHORAGE



1997

Geographical Expansion
Branches mushrooming
across the country.

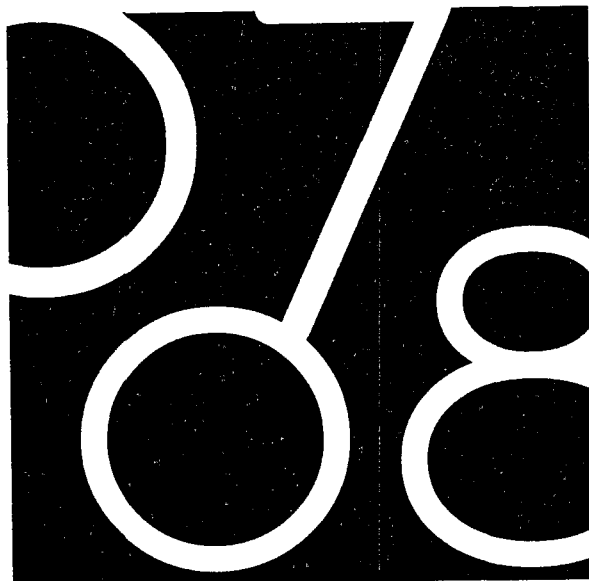
EXPANSION
PHASE II



1999

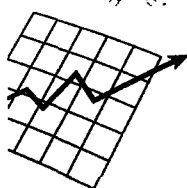
First National Channel Partners
Meet ever organized
by any distribution company.
100 top Compuage partners
invited for a 3 day meet. Leading
management consultants from
Singapore were invited to have
business management seminars.

CHANNEL MEET



THEYARGONEBY2007-2008

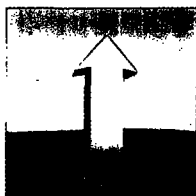
COMPUAGENEWSHIGHLIGHTS



A record growth in sales by 103%, totaling to Rs. 611.71 Crore over Rs. 300 Crore last year.



Launch of the Destination INDIA Campaign, aimed towards bringing together the various elements of the IT industry on to a single platform. A year long campaign covering 60 cities and over 21000 partners.



Started operations in 10 more cities, making Compuage a 45 branch organization and ever growing. Compuage is now a team of over 400 dynamic professionals.



5 New Tie - ups - HP, One for All, K7, Sprint, Linksys & Targus - of which 3 are on Exclusive All India basis.



Relaunched our website www.compuageindia.com on 15th August, 2007.



Launched Matchpoint - a Quarterly newsletter targeted to keep our shareholders abreast with news at Compuage.



Started extensive Training & Development programs for all levels of the Compuage Team to ensure that we are able to continue delivering more than the industry standards.



WEARE

Compuage, one of India's leading IT distribution company, over the years has trail blazed its way into being the most sought after, value added distributor of global IT brands. Having a nationwide presence, Compuage is a system oriented and process driven company. Added to this, is a strong IT enabled distribution backbone, a solid financial and inventory management system, a young and dynamic sales team and a committed channel spread across the country. Headquartered at Mumbai, Compuage, has been growing at a rapid pace and has an ambitious blue print for further expansion.

Viewpoint

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22Letter to the Shareholders

24Financial Highlights



ATULMEHTA, CMD, COMPUAGEINFOCOMLtd.

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

Financial year 2007 - 08 is history and 2008 - 09 and beyond is what needs to be focused on as we cannot change the past, but can only change the future. Nevertheless, we need to look back and review what we did right, and better the same, and improve upon areas where we did not do it right. If we look back on what were key factors that enabled Compuage succeed and accomplish its goals in 2007 - 08, we can sum it up as branch expansion, team building, reach in the market, enhancement of product portfolio and of course managing the working capital needs effectively. It is these very aspects that the company will intensify its efforts and focus on that will enable the company to achieve its plans for the current year and years ahead.

Compuage, like any other organization into accelerated growth and especially in a very competitive IT distribution sector faces numerous challenges. While all are important, we have put team building as our first priority. Apart from recruiting the best team, we are also focusing on ensuring they get extensive training programs, both, external and internal. Simultaneously, we shall be putting our entire team down to the office boy to training programs that will enable the team to enhance their skill sets and scale up. Efforts are being put in to build a rock solid team that will enable the organization scale newer heights year after year.

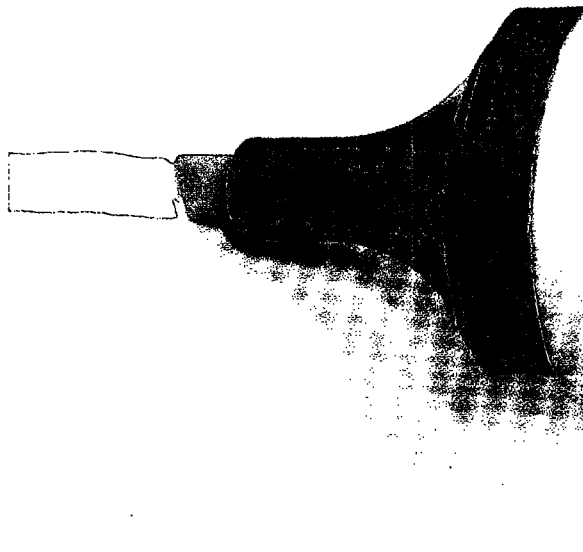
Other initiatives planned for the year are a online foray, more vibrant website, channel training programs, Channel Point (channel newsletter), Price Point (channel pricelist), all aimed at adding value to the partners and principals.

Compuage has established itself as one of the Best Value Added Distribution Company in India. Currently, sentiments in the economy are low. everyone is wondering where the Indian economy will head in view of oil price increase, US subprime rate problem and US economy slowing down and possibly moving into recession. Today, world economy is integrated and therefore its effects percolate to all other countries - more to some, less to others. As far as India is concerned, we feel that the impact will be less and more of short term in nature. Reasoning behind this feeling is Indian economy is doing reasonably well; less dependency on exports on the whole; strong internal consumption and increased earnings and a new class of people willing to spend. The impact on IT front too may not be high as our IT spends are far too less vis-à-vis the world. The needs are growing with most notable change being computers considered as an education tool. Impact on growing companies as ours will be even less as we will grow organically by deeper penetration in the markets and inorganically by adding more product lines.

On the concluding note, we will work towards a plan of Sales Revenue of Rs. 1000 Crore for 2008 - 09. We will continue to work towards our Motto – Speed, Reliability and Value Performance. We will work towards something closer to our heart of being the Best Distribution Company in India.

Regards

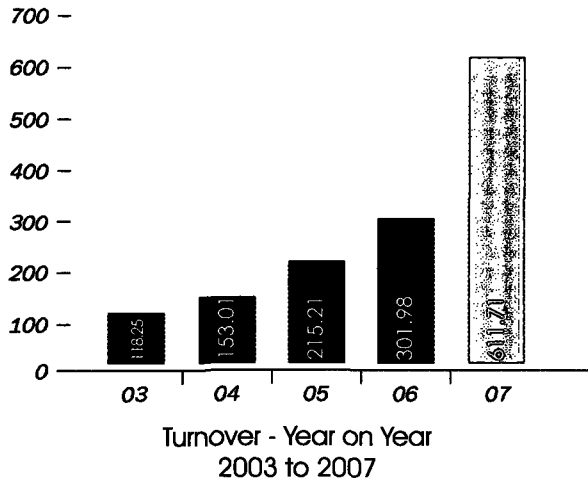
Atul H Mehta
Chairman & Managing Director,
Compuage Infocom Ltd.



HIGHLIGHTS OF OUR GROWTH.

FINANCIAL HIGHLIGHTS

(In Rs. Crore)



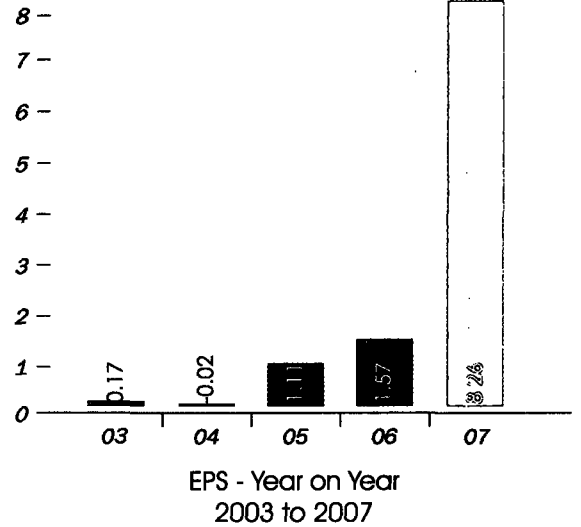
Milestone Turnover!

The Turnover stood at Rs. 611.71 crores, demonstrating a 100% growth from the previous year. Ongoing operations on strengthening our distribution network and the IT backbone have considerably aided in this growth.

The earnings per share

The Earnings per share grew by a phenomenal 7 times against the previous year touching Rs. 8.26 per share. The CIL Share value also touched record highs this year. Consistent restructuring and improvisation of the utilization of resources with a steady growth in sales has resulted in this growth.

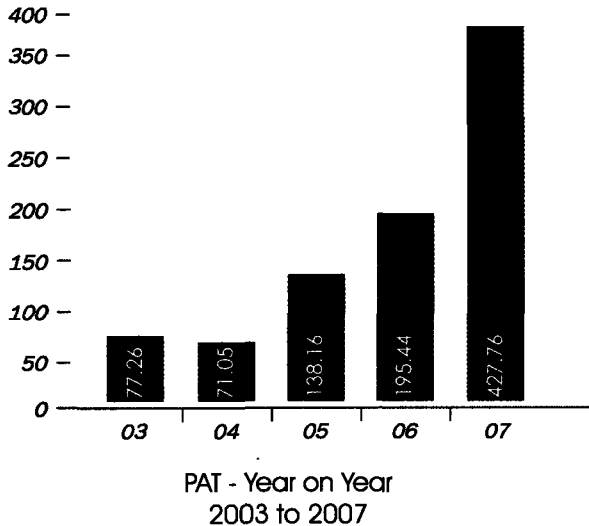
(in Rs.)

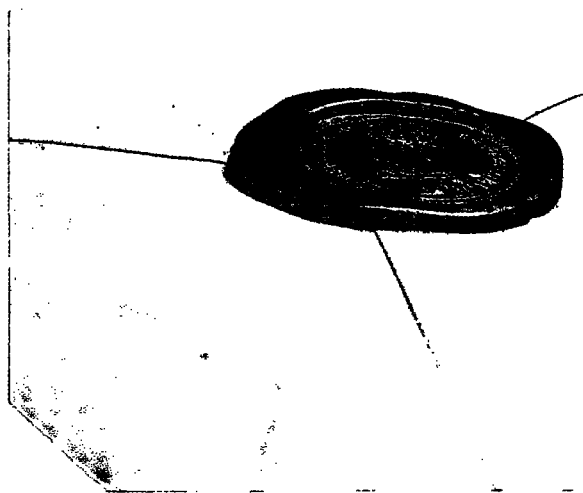


The Bottom Line is the Bottom Line.

The Profit After Taxes has crossed Rs. 427 lacs, which is again a record growth over the previous years. The development in our product portfolio both vertically and horizontally, along with the increasing number of branches coupled this growth.

(in Rs. Lacs)





YOUARENOTIFIED

Notice of the AGM

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28 Notice of the 9th AGM

32 Notes to the Notice of the 9th AGM



YOUARENOTIFIED

NOTICE OF THE 9th ANNUAL GENERAL MEETING

Notice is hereby given that the Ninth annual general meeting of the members of Compuage Infocom Limited will be held on 23rd August 2008 at 10.00 a.m at Haveli 2, Krishna Palace Residency, 96/98, Sreater Rd., Nana Chowk, Mumbai - 400007, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2008 and the Balance Sheet as on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. C. Subramaniam, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 authorize Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT, pursuant to provisions of section 198, 269 and 309 read with schedule XIII and all other applicable provisions, if any, of the companies Act, 1956, and subject to such approvals, as may be necessary, the company hereby accords its consent and approval to the re- appointment of Mr. Atul Mehta, as Managing Director of the company, for a period of 3 years with effect from 8th Sept, 2008 to 7th Sept, 2011, on terms and conditions and the remuneration/emoluments (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period) as mentioned in the Explanatory Statement under this Item."

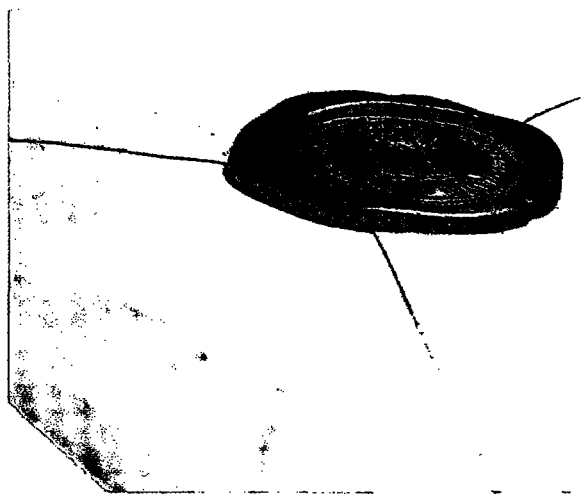
"RESOLVED FURTHER THAT, in the event of any statutory amendments, modification or relaxation by the central government to Schedules XIII to the Companies Act, 1956, the Board of Directors of the company (hereinafter referred to as 'Board' which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including powers conferred by the resolution) be and is hereby authorized to vary and /or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit (s) or ceiling and the agreement between the company and Mr. Atul Mehta, Managing Director of the Company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting."

"Also RESOLVED THAT Mr. G. S. Ganesh, director of the company, or in his absence, any other independent director on the compensation committee of the Board, be and is hereby authorized, from time to time, to execute, on behalf of the company, any agreement (s) with the said Managing Director, containing the above and such other terms and conditions, as may be necessary pursuant to this resolution.

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

"RESOLVED THAT, pursuant to provisions of section 198, 269 and 309 read with schedule XIII and all other applicable provisions, if any, of the companies Act, 1956, and subject to such approvals, as may be necessary, the company hereby accords its consent and approval to the re- appointment of Mr. Bhavesh Mehta, as Wholetime Director of the company, for a period of 3 years with effect from 18th October, 2008 to 17th October, 2011, on terms and conditions and the remuneration/emoluments (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period) as mentioned in the Explanatory Statement under this Item."

"RESOLVED FURTHER THAT, in the event of any statutory amendments, modification or relaxation by the central government to Schedules XIII to the Companies Act, 1956, the Board of Directors of the company



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NOTICE OF THE 9th ANNUAL GENERAL MEETING - p2

(hereinafter referred to as 'Board' which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including powers conferred by the resolution) be and is hereby authorized to vary and /or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit (s) or ceiling and the agreement between the company and Mr. Bhavesh Mehta, Wholetime Director of the Company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting."

"Also RESOLVED THAT Mr. G. S. Ganesh, director of the company, or in his absence, any other independent director on the compensation committee of the Board, be and is hereby authorized, from time to time, to execute, on behalf of the company, any agreement (s) with the said Whole Time Director, containing the above and such other terms and conditions, as may be necessary pursuant to this resolution.

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

"RESOLVED THAT in pursuance of section 293(1)(a) and other applicable provisions, if any, of the companies Act, 1956, and such other approval as may be necessary and subject to such conditions and modifications as may be prescribed, required or directed in granting any such approval or consents and which the Board of Directors be and is hereby authorized to accept, consent of the company be is hereby accorded to the Board of Directors of the company for mortgaging and /or charging in any manner whatsoever of all movables and immovable properties of the company whosoever situated, present or future the whole of the undertaking of the company, for borrowing of sum not exceeding Rs. 500 crores outstanding at any time as loans from Banks, Financial Institutions or elsewhere.

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

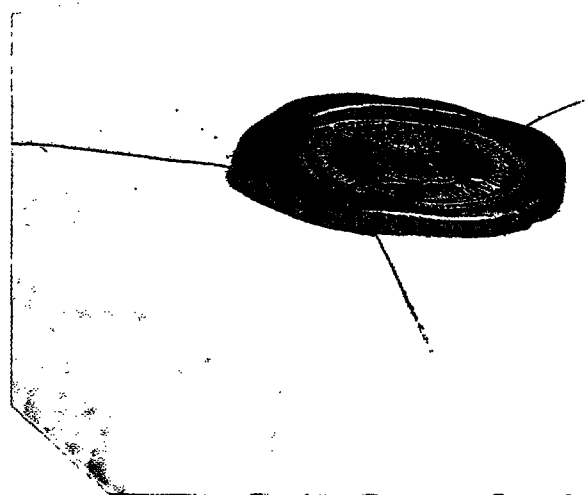
"RESOLVED THAT in modification of the resolution passed by the Company pursuant to the provisions of section 293 (1)(d) of the Companies Act, 1956, the consent of the company in terms of the aforesaid section of the Act be and is hereby accorded to the Board of Directors of the Company borrowing from time to time for the purpose of the Company's business any sum or sums of money as it may deem fit and proper notwithstanding that the money to be so borrowed together with moneys already borrowed by the Company, if any, (apart from temporary loans obtained by the company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital and its free reserves, if any, that is to say, reserves not set apart for any specific purpose provided that the total amount of the moneys to be so borrowed by the Board together with moneys already borrowed (apart from temporary loans obtained by the company's bankers in the ordinary course of business) shall not exceed Rs. 500 Crores (Rupees Five Hundred Crores) outstanding at any one time and that for the implementation of this Resolution the Board may act through any member thereof or any other person duly authorized by the Board in that behalf.

By Order of the Board of Directors
For, COMPUAGE INFOCOM Ltd.

SD/-

Atul Mehta
Chairman & Managing Director
Mumbai, 14th April, 2008

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



YOUARENOTIFIED

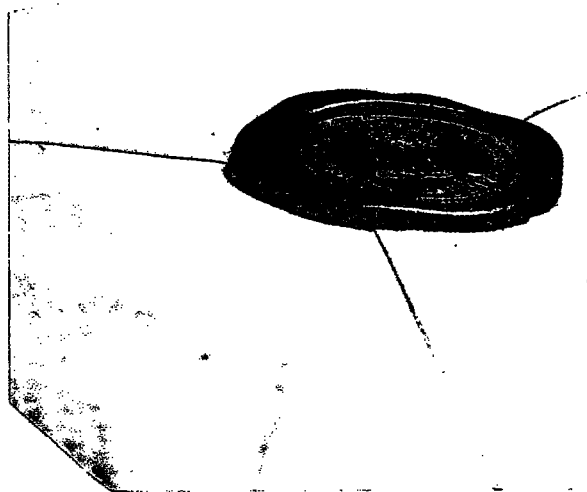
NOTES - NOTICE OF THE ANNUAL GENERAL MEETING

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 20/08/2008 to 22/08/2008 (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.4, 5, 6 and 7 above is annexed
4. Members are requested to inform the Company any change in their address immediately to –

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



YOUARENOTIFIED

NOTES - NOTICE OF THE ANNUAL GENERAL MEETING - p2

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:

i) Item No. 2 of the Notice:

Name : Mr. C. Subramaniam
 Age : 52 years
 Qualification : Diploma in Financial Management & Operational Research,
 M.Com & ICWAI
 Expertise : Specialized in Finance & Operational Research
 Date of appointment : 27.07.1999

Mr. C. Subramaniam is Director in 6 other companies (excluding private companies). He is chairman of the Share Transfer Committee & Investor Grievance Committee and member of the Audit Committee and Remuneration Committee of the Company. He holds 44 shares of the Company.

ii) Item No. 4 of the Notice:

Name : Mr. Atul Mehta
 Age : 48 years
 Qualification : B.Com & MBA - Finance - USA
 Expertise : Specialized in Finance & Strategic Planning
 Date of appointment : 16.06.2000

iii) Item No.5 of the Notice:

Name : Mr. Bhavesh Mehta
 Age : 35 years
 Qualification : M.Com with specialization in Marketing
 Expertise : Specialized in Import and Logistics
 Date of appointment : 18.10.2000

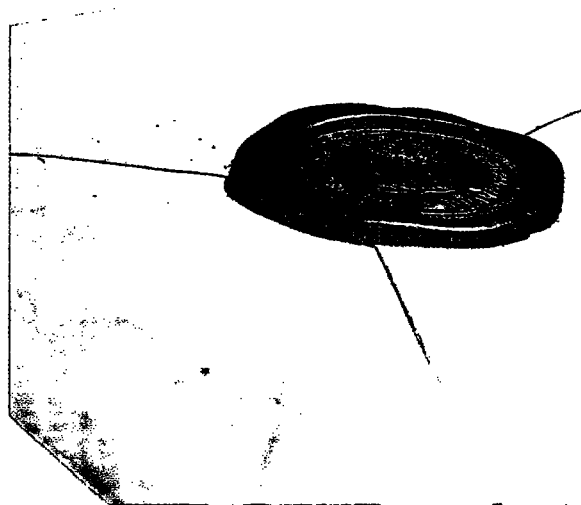
Mr. Bhavesh Mehta is director in 2 other companies (excluding private companies & section 25 companies). He is not a chairman/member of any of the committee of the Company. He holds 1282985 shares of the company.

By Order of the Board of Directors
 For, **COMPUAGE INFOCOM Ltd.**

SD/-

Atul Mehta
 Chairman & Managing Director
 Mumbai, 14th April, 2008

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



YOUARENOTIFIED

NOTES - NOTICE OF THE ANNUAL GENERAL MEETING - p3

EXPLANATORY STATEMENT Pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 4

At the Annual General Meeting held on 24th June, 2006, the members of the company had approved the appointment of Mr. Atul Mehta as Managing Director of the Company for a period of 3 years from 08/09/2005 to 07/09/2008, on the terms and condition stated under the relative resolution placed at the said AGM.

Mr. Atul Mehta has done MBA in finance from USA and he is in the Trading business since 1987 and under his leadership the Company has made excellent progress in the Information Technology business. Under his Leadership the Company is having 45 branches all over India and also the Company intend to open 15 additional branches during the year 2008-09 and 20 branches during 2009-10. The Company also intends to open branches in the far east Countries as a Subsidiary of the Main Company. The Compensation Committee of the Board of Directors and the Board, at their meetings, held on 14/04/2008 had, subject to confirmation by the members at this Annual General Meeting decided to re- appoint Mr. Atul Mehta in view of his excellent performance, as Managing Director, of the Company, for a period of 3 yrs from 08/09/2008 to 07/09/2011 on the terms and conditions including the remuneration/emoluments, mentioned below. The Members are requested to approve the resolution herein for the appointment of Mr. Atul Mehta, as Managing Director.

The terms of the Agreement with Mr. Atul Mehta, the Managing Director, include the following:

EMOLUMENTS

A - BASIC SALARY

The basic salary shall be Rs. 54,00,000 p. a.

B - COMMISSION

The percentage will be decided by the Compensation Committee of the Board of Directors on a year-to-year basis, based on the individual performance of the said Managing Director, the overall performance of the Company and accordingly the Commission payable to the said Director shall be provided for in the accounts.

Provided further that Commission shall be payable, on an annual basis but only after the Company's Annual Accounts and Balance Sheet under Section 210 of the Companies Act, 1956 are placed before the Company's Annual General Meeting and approved by the members thereat, subject further, to the said Managing Director continuing to be in employment of the Company at the time of payment of the said Commission.

C - PERQUISITES

CATEGORY I

Perquisites of Rs. 6,00,000 includes House rent allowance, General allowance, club fees, Group personal accident insurance, group mediclaim and Group term insurance
This component will not be included as a basic salary, for the purpose of Provident Fund, Gratuity or any other purpose.

CATEGORY II

- a) Provident Fund: Company's contribution to Provident Fund as per Rules of the Company.
- b) Gratuity: Payable in accordance with the Rules of the Company but not exceeding half month's basic salary for each completed year of service. Performance Incentive will not be added to the basic salary for the purpose of provident fund, gratuity, medical or commission and other perquisites.
- c) For Provident Fund, Gratuity or any other benefit, there is ceiling limit for Basic and these benefits will be payable as per limits prescribed as per rules of the Company for above benefits from time to time.



YOUARENOTIFIED

NOTES - NOTICE OF THE ANNUAL GENERAL MEETING - p4

d) Car(s) and telephone(s) will be provided at residence for official use. However, provision of these facilities will be subject to tax as per prevailing Income Tax rules. The Company shall bill Personal long distance calls on telephone to the said Managing Director.

e) The contribution to Provident Fund will not be included as perquisites to the extent these are not taxable under the Income Tax Act, 1961.

f) Leave: As per the rules of the Company, but not exceeding 21 working days per year. Unutilised leave can be carried forward and then encashed equivalent to Basic salary and as per rules of the Company in force from time to time.

g) All Emoluments and Perquisites will be taxable as per the provisions of the Income Tax Act, 1961.

h) Stock Options: The Managing Director will be granted stock options at sole discretion of the Company under the ESOP in quantities as determined by the Compensation Committee of the Board based upon the said Managing Director's performance and the performance of the Company from time to time.

Notwithstanding anything contained hereinabove, wherein any financial year during the currency of this Agreement, the Company has no profits or inadequate profits, the remuneration payable to the Managing Director as basic salary, perquisites and any other allowances shall be governed and be subject to ceilings provided under Section II of Part II (A) of Schedule XIII to the Companies Act, 1956.

The said Director shall report to the Board of Directors of the Company who shall empower him with such requisite powers (with authority to revoke and/or amend such powers) to enable the said Director to discharge his duties with full responsibility or the area of operations under his control. The said Director shall work under the superintendence, control and direction of the Board of Directors of the Company.

A copy of the aforesaid Agreement referred to in the Resolution at Item No.4 of the accompanying Notice, is available for inspection by any member of the Company at the Registered Office of the Company on any working day before the ensuing Annual General Meeting.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of the terms of the Agreement and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Directors commend the Resolution for the approval of the members.

None of the Directors except Mr. Atul Mehta and Mr. Bhavesh Mehta is interested or concerned in the said Resolution.

Item No. 5

At the Annual General Meeting held on 24th June, 2006, the members of the company had approved the appointment of Mr. Bhavesh Mehta as Director of the Company for a period of 3 years from 18/10/2005 to 17/10/2008, on the terms and condition stated under the relative resolution placed at the said AGM.

Mr. Bhavesh Mehta has done M.com with specialization in Marketing and Expertise in Import and Logistics and he is in the business since 1994 and under his leadership the Company has made excellent progress in the Information Technology business. Under his Leadership the Company is having 45 branches all over India and also the Company intend to open 15 additional branches during the year 2008-09 and 20 branches during 2009 - 10. The Company also intends to open branches in the far east Countries as a Subsidiary of the Main Company. The Compensation Committee of the Board of Directors and the Board, at their meetings, held on 14/04/2008 had, subject to confirmation by the members at this Annual General Meeting decided to re-appoint Mr. Bhavesh Mehta in view of his excellent performance, as Whole time Director, of the Company, for a period of 3 yrs from



YOUARENOTIFIED

NOTES - NOTICE OF THE ANNUAL GENERAL MEETING - p5

18/10/2008 to 17/10/2011 on the terms and conditions including the remuneration/emoluments, mentioned below. The Members are requested to approve the resolution herein for the appointment of Mr. Bhavesh Mehta, as Whole time Director.

The terms of the Agreement with Mr. Bhavesh Mehta, the Whole time Director, include the following:

EMOLUMENTS

A - BASIC SALARY

The basic salary shall be Rs. 42,00,000 p.a

B - COMMISSION

The percentage will be decided by the Compensation Committee of the Board of Directors on a year-to-year basis, based on the individual performance of the said Whole time Director, the overall performance of the Company and accordingly the Commission payable to the said Director shall be provided for in the accounts.

Provided further that Commission shall be payable, on an annual basis but only after the Company's Annual Accounts and Balance Sheet under Section 210 of the Companies Act, 1956 are placed before the Company's Annual General Meeting and approved by the members thereat, subject further, to the said Whole time Director continuing to be in employment of the Company at the time of payment of the said Commission.

C - PERQUISITES

CATEGORY I

Perquisites of Rs. 6,00,000 includes House rent allowance, General allowance, club fees, Group personal accident insurance, group mediclaim and Group term insurance

This component will not be included as a basic salary, for the purpose of Provident Fund, Gratuity or any other purpose.

CATEGORY II

a) Provident Fund: Company's contribution to Provident Fund as per Rules of the Company.

b) Gratuity: Payable in accordance with the Rules of the Company but not exceeding half month's basic salary for each completed year of service. Performance Incentive will not be added to the basic salary for the purpose of provident fund, gratuity, medical or commission and other perquisites.

c) For Provident Fund, Gratuity or any other benefit, there is ceiling limit for Basic and these benefits will be payable as per limits prescribed as per rules of the Company for above benefits from time to time.

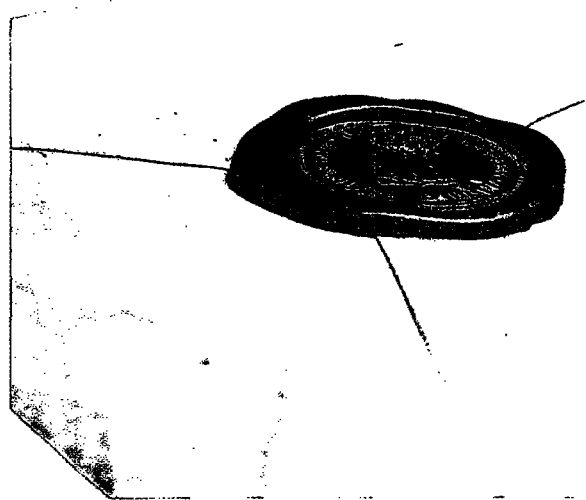
d) Car(s) and telephone(s) will be provided at residence for official use. However, provision of these facilities will be subject to tax as per prevailing Income Tax rules. The Company shall bill Personal long distance calls on telephone to the said Managing Director.

e) The contribution to Provident Fund will not be included as perquisites to the extent these are not taxable under the Income Tax Act, 1961.

f) Leave: As per the rules of the Company, but not exceeding 21 working days per year. Unutilised leave can be carried forward and then encashed equivalent to Basic salary and as per rules of the Company in force from time to time.

g) All Emoluments and Perquisites will be taxable as per the provisions of the Income Tax Act, 1961.

h) Stock Options: The Whole Time Director will be granted stock options at sole discretion of the Company under the ESOP in quantities as determined by the Compensation Committee of the Board based upon the said Whole time Director's performance and the performance of the Company from time to time.



YOUARENOTIFIED

NOTES - NOTICE OF THE ANNUAL GENERAL MEETING - p6

Notwithstanding anything contained hereinabove, wherein any financial year during the currency of this Agreement, the Company has no profits or inadequate profits, the remuneration payable to the Whole time Director as basic salary, perquisites and any other allowances shall be governed and be subject to ceilings provided under Section II of Part II (A) of Schedule XIII to the Companies Act, 1956.

The said Director shall report to the Chairman and Managing Director of the Company who shall empower him with such requisite powers (with authority to revoke and/or amend such powers) to enable the said Director to discharge his duties with full responsibility or the area of operations under his control. The said Director shall work under the superintendence, control and direction of the Chairman and Managing Director and through him, to the Board of Directors of the Company.

A copy of the aforesaid Agreement referred to in the Resolution at Item No.5 of the accompanying Notice, is available for inspection by any member of the Company at the Registered Office of the Company on any working day before the ensuring Annual General Meeting.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of the terms of the Agreement and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Directors commend the Resolution for the approval of the members.

None of the Directors except Mr. Atul Mehta and Mr. Bhavesh Mehta is interested or concerned in the said Resolution.

Item No. 6 and 7

The Company proposes to borrow up to 10 times of its capital and reserves from Banks, Financial Institution, corporation and public etc. As per the prevalent practice such institution may insist for creation of charge on the undertaking of the company. The Company proposes to pass resolution under section 293(1) (a) of the Companies Act, 1956 giving permission for creation of mortgage/charge on undertaking of the company. Hence, this special resolution is recommended for the consideration and approval of the Shareholders. The expansion and diversification programme of the company is being carried out in full swing and it requires borrowing funds from the Financial institutions therefore, your Directors place before you the proposal to increase the maximum borrowing limit to Rs. 500 crores.

None of the Directors of your company is interested, either directly or indirectly, in the resolution and recommends your approval thereof in the interest of the company.

By Order of the Board of Directors
For, **COMPUAGE INFOCOM Ltd.**

SD/-

Atul Mehta
Chairman & Managing Director
Mumbai, 14th April, 2008

Registered Office:
Compuage Infocom Ltd.,
3, Dhuru Building,
329, Vithalbhajal Patel Road,
Mumbai - 400 004



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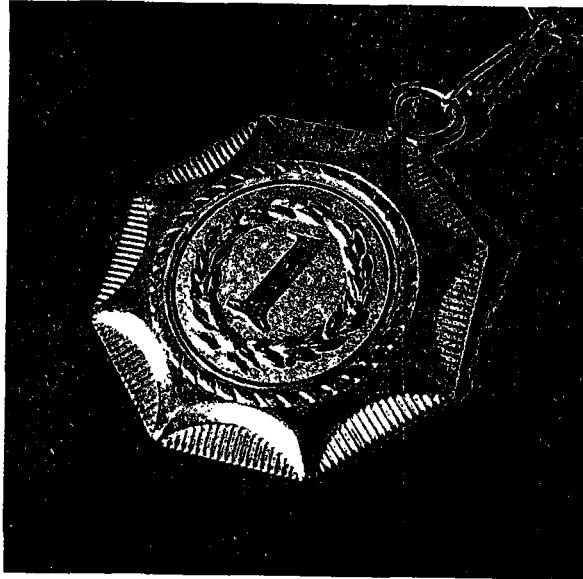
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BEENTHERE, DONETHAT.

HIGHLIGHTS, REVIEW & FUTURE

Dear Shareholders,

The Board of Directors have pleasure in presenting the Audited Financial Statements for the year ended 31st March 2008.

Financial Highlights

(In Rs. Lacs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	2007 - 2008	2006 - 2007
Sales & Other Income	61171.64	30198.33
Profit before Taxation & Depreciation (PBTB)	715.87	365.52
Less: Depreciation	53.74	44.72
Profit after depreciation (PBTAD)	662.13	320.80
Less: Provision for taxation	220.46	113.47
Fringe Benefit Tax	13.91	11.89
Profit after Tax Provision	427.76	195.44
Balance brought forward	630.33	434.89
Amount available for Appropriation	1058.09	630.33
Less: Utilised towards Capital Restructuring	452.92	0.00
Balance Carried to Balance Sheet	605.17	630.33

Business Review

2007-08 has been an outstanding year with Compuage growing by over 100%, registering sales of Rs. 611.71 Crores as against Rs. 301.98 Crores in the previous year. Compuage's profit before depreciation & taxation has also grown from Rs. 715.87 Lacs as against Rs. 365.52 Lacs in the previous year.

Apart from growth in the year just completed, Compuage continues to build team, expand operations reach and product portfolio. It has grown its team to 450 (350), offices to 45 (37) reach to 310 cities (200) and 6000 channel partners (4000), product portfolio to 13(7). Special emphasis is being given to team building with extensive external and internal training programs being undertaken for all to enhance their skill sets. Emphasis is also given to systems and processes which are so essential as an organization grows. All these lays foundation for continued growth year after year.

The future for Compuage is very promising. The I.T. industry is still in a nascent stage in India with a very low PC penetration level. India has less than 1% PC penetration, a sale of less than 8 million PCs per annum as against some countries with over 20% PC penetration with more than 20 million PC sale per annum. The growth in the Indian economy and computers being considered as an education tool will speed up the penetration levels and PC sale. Compuage with its organization buildup is very well positioned to capitalize on these growth opportunities.

The Future

The opportunities for the company are immense. The company has put together aggressive growth plans for the year and the years ahead.



SPEAKINGTECHNOLOGY

TECHNOLOGY, AUDIT, DEMAT CONSERVATION OF ENERGY & EMPLOYEES

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. The team also visits branches regularly, taking stock of the Company's assets, reviewing its systems and process. It reports directly to the top management and the Audit Committee.

Fixed Deposit

The Companies 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.

Status of Dematerialization of Shares

NSDL and CDSL have allotted ISIN No. INE070C01011 for compulsorily Dematerialization of Shares.

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & 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 no much scope and concern to this matter for the company to take any meaningful action.

The payment of foreign exchange outgoes, are given in Schedule No. 18 in the notes to the accounts in Note No. 5.2 & 5.3, is Rs. 19718.56 Lacs in F.Y. 2007 - 08.

Particulars of Employees

Statement of Particulars of Employees under Sec 217 2(A) for the period ended 31st March, 2008.

Name	Age	Designation, Nature of duties & Date of commencement of Employment	Qualification & Experience	Gross Remuneration (in Rs.)	Last Employment Name of Company & Designation
Atul Mehta	48	Chairman & Managing Director, Specialized In Finance & Strategic Planning, 16/06/2000	MBA, U.S.A., 21 Years	36,00,000/-	Compuage Electronics Ltd., CMD
Bhavesh Mehta	35	Director, Specialized in Imports & Logistics, 18/10/2000	M. Com. 14 Years	36,00,000/-	Compuage Electronics Ltd., Director

Note

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



GROWING IS A HABIT.

GOVERNANCE, DISCLOSURES & RESPONSIBILITY

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.

Additional Disclosures

1. Related Party Transactions: in line with the requirements of the listing agreements and the Accounting Standards No.18 of the Institute of Chartered Accountant of India your company has given additional disclosure in respect of related party transactions.

2. Segment Reporting: There being only one line of business the company is engaged in, mainly distribution business, there are no requirements of segmental reporting, as required as per Accounting Standard 17.

Directors' Responsibility Statement

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

1. That in preparation of the Annual Accounts for the year ended 31st March, 2008, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
2. 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 31st March, 2008 and the profit of the Company for the year under review;
3. 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;
4. That the annual accounts for the year ended 31st March, 2008 have been prepared on a 'going concern basis'.

Directors

Mr. C. Subramaniam 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.

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.

Acknowledgements

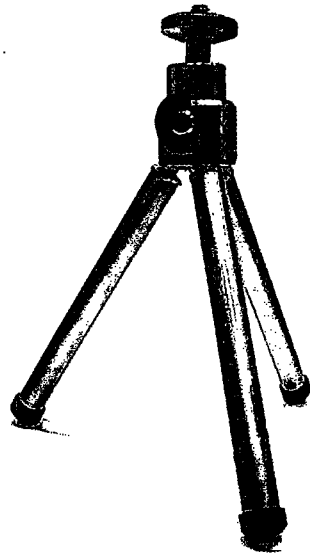
Your board takes this opportunity to thank its shareholders, employees, customers, vendors and bankers for the support and faith reposed in the company. It is this collective working that has enabled the company to grow year on year.

For and on behalf of the Board of Directors
For, COMPUAGE INFOCOM Ltd.

SD/-

Atul Mehta
Chairman & Managing Director
Mumbai, 14th April, 2008

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



STABILITY OF SPEED RELIABILITY AND VALUE PERFORMANCE

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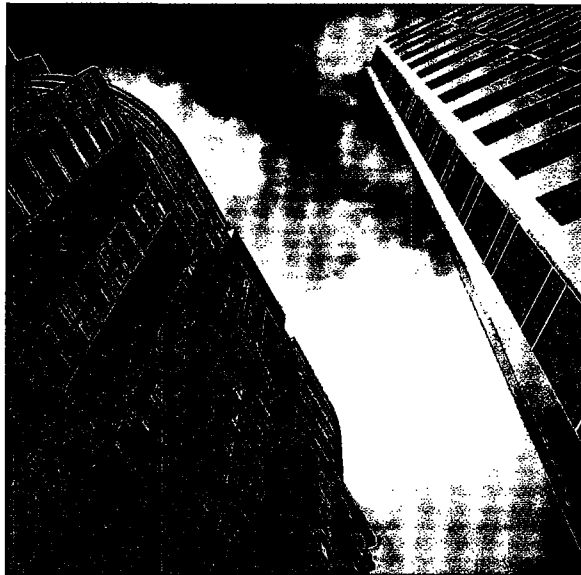
THE CODE OF CORPORATE GOVERNANCE

Corporate Governance is concerned with creation of long term value of shareholders while also balancing interest of other stakeholders viz. employees, creditors, government & the society at large. Corporate Governance is crucial as it builds confidence and trust, which eventually leads to a more stable and sustained resources flow and long term partnership with its investors and other stakeholders.

The Corporate Governance framework will encourage efficient use of resources and ensure accountability for these resources. Its importance lies in the contribution it makes to the overall growth and direction of the business, management accountability and transparency and above all, equitable treatment for its stakeholders.

Corporate Governance reinforces the concept of "Your Company" and emphasizes that the Chairman & Board of Directors are your fiduciaries and trustees, engaged in pushing the business forward and maximizing value for you, the shareholders.

Your company believes in adopting the best Corporate Governance practices and protecting rights and interest of shareholders. 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 organization as well as governance practice to be followed by them.



THE STRENGTH OF A BUILDING LIES IN ITS FOUNDATION.

THE BOARD OF DIRECTORS

The Composition of the Board & the Meetings held

The details of the Board of Directors of the company are given below. 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, membership of Board committees (audit/remuneration/investor grievance) in excess of 10 and Chairmanship of Board committees as aforesaid in excess of 5.

Name of Director	Designation	No. of Directorships In other public companies	No. of Outside Committee positions		Board Meetings During 2007 - 2008		Attendance at the last AGM held on 14th Sep, 2007
			Chairman	Member	Held	Attended	
Mr. Atul Mehta	Promoter, CMD	3	NII	NII	17	17	Yes
Mr. Bhavesh Mehta	Promoter, Whole Time Director	2	NII	NII	17	17	Yes
Mr. C. Subramaniam	Non - Executive Independent	6	NII	1	17	12	Yes
Mr. G. S. Ganesh	Non - Executive Independent	6	NII	1	17	12	Yes
*Mr. Vijay Agarwal	Non - Executive Independent	6	NII	6	17	12	Yes

*Appointed as an additional director w.e.f. 31-12-2005

The meetings of the Board of Directors' are scheduled well in advance and the Agenda for the meeting with detailed review of all aspects of the company business, including performance of the company, employee relations, details of investment, capital expenditure, etc. is circulated to all the directors 7 days prior to the Board meeting. It also highlights important matters discussed at the Audit, Share transfer & Investor Grievance Committee of the Board. seventeen Board Meetings were held during the year on 4th April, 2007, 23rd April, 2007, 25th May, 2007, 11th June, 2007, 23rd June, 2007, 31st July, 2007, 10th August, 2007, 11th September, 2007, 14th September, 2007, 24th September, 2007, 29th September, 2007, 22nd October, 2007, 24th October, 2007, 31st October, 2007, 29th January, 2008, 30th January, 2008 and 15th February, 2008.

Review of the Board

The Board of Directors' reviewed in their Board Meeting matters relating to

- Strategy & Business Plans
- Annual operating & Capital expenditure budgets
- Investment and exposure limits
- Business risk analysis & Control
- Senior Executive appointment
- Compliance with statutory / regulatory requirements and review of major legal issues
- Adoption of Quarterly & Annual results
- Transactions pertaining to purchase/disposal of property, major provisions & write offs

Code of Conduct

The Board of Directors has adopted the Code of Conduct & Responsibilities of the Board towards the Company in the Board Meeting as held on 31st January 2006



DESTINATIONSREQUIREDRIVERS.

COMMITTEES OF THE BOARD

The Audit Committee

The composition of the Audit Committee and attendance of members of the meetings are as shown. The Audit committee reviews in their meetings & recommends to the Board, matters relating to the following terms of reference:

Name of Director	Category	Designation	Meetings Attended During 2007 - 2008
Mr. G. S. Ganesh	Non Executive Independent	Chairman	4
Mr. C. Subramaniam		Member	4
Mr. Vijay Agarwal		Member	4

- To oversee the Company's financial reporting process and disclosure of its financial information.
- To recommend the appointment of Statutory Auditors and fixation of the Audit fee.
- To review and discuss with the auditors about internal control systems, the scope of audit including the observations of the auditors, adequacy of internal audit function, major accounting policies, practices and entries, compliance with accounting standards, with the Stock Exchanges, and legal requirements concerning financial statements and related party transactions if any.
- To review the Company's financial and risk management policies and discuss with the internal auditors.
- To follow up significant findings thereon.
- To review the quarterly and annual financial statements before submission to the Board of Directors.

During the Financial year 2007 - 2008, four meetings were held viz. 31st July, 2007, 24th August, 2007, 31st October, 2007 and 31st January, 2008.

The Remuneration Committee

The Remuneration Committee was re-constituted on 31st January 2006 and it reviews and approves the annual salaries, performance commission, service agreements and other employment conditions for executive directors. Directors have set up a Management Performance Review Committee to determine and review the performance related compensation package for Sales and other Management staff.

Name of Director	Category	Designation	Meetings Attended During 2007 - 2008
Mr. G. S. Ganesh	Non Executive Independent	Chairman	1
Mr. C. Subramaniam		Member	1
Mr. Vijay Agarwal		Member	1

Name of Director	Designation	Salary & Perquisite	Service Contract
Mr. Atul Mehta	Chairman & MD	Rs. 3600000	3 years w. e. f. 8th, September, 2005
Mr. Bhavesh Mehta	Whole Time Director	Rs. 3600000	3 years w. e. f. 18th, October, 2005

* Including the Perquisite, which shall not be included in the computation of the ceiling limits of remuneration.

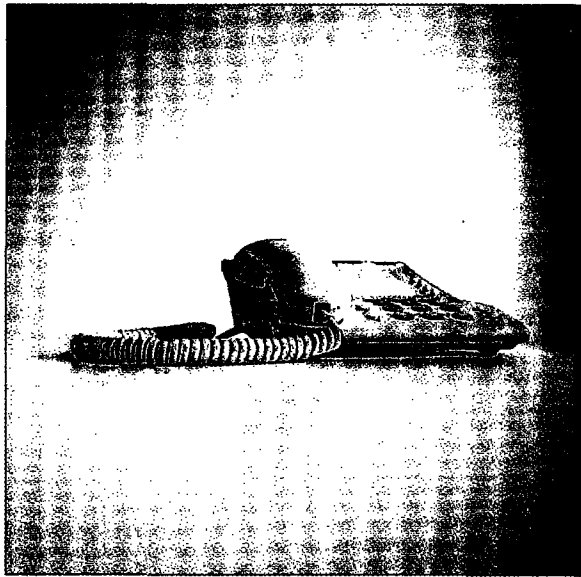
The Share Transfer & Investor Grievance Committee

The committee meets on a regular basis to approve transfer of shares, transmission of shares, splitting, consolidation and rematerialisation of shares. The shares in physical

form sent for transfer in physical form are processed and registered by the company within 30 days of receipt of documents, if found in order and specifically look into the redress of shareholder and investor complaints like transfer of shares, non - receipt of dividends, non - receipt of Annual Report, etc.

Name of Director	Category	Designation	Meetings Attended During 2007 - 2008
Mr. C. Subramaniam	Non Executive Independent	Chairman	10
Mr. Atul Mehta	CMD	Member	10
Mr. G. S. Ganesh	Non Executive Independent	Member	10

1. Name & Designation of Compliance Officer : Mr. Sunil Mehta, VP Finance. Ph: 022 23842200, Fax: 022 23842210
2. No. of shareholder complaints received : Nil
3. No. of complaints not solved to satisfaction : Nil
3. No. of pending complaints : Nil



COMMUNICATION IS A FEEDBACK FOR US TO IMPROVE - SO COMMUNICATE.

MEETINGS&COMMUNICATION

General Body Meetings

An Extra- Ordinary General Meeting was held on 14th September, 2007 of Equity Shareholders and Preference Shareholders of 'B' Series and 'C' Series and the special resolutions were passed as under -

1. As per Section 100 to 104 for Reduction of Share Capital, and approved by the Mumbai High Court as on dated 15th February 2008 , the paid –up equity share capital of the company be Rs. 5,18,00,000/- divided into 51,80,000 Equity Shares of Rs. 10/- each and the amount of Rs. 7,27,73,150/- be cancelled.
2. Reduction of Preference Share Capital (B-Series) of the company be Rs. 4,66,557 divided into 46,65,570 Preference Shares of Rs. 0.10/- each fully paid up and an amount of Rs. 4,61,89,183 be cancelled.
3. Reduction of Preference Share Capital (C-Series) of the company be Rs. 2,11,81,870 divided into 21,18,187 Preference Shares of Rs.10/- each fully paid up and an amount of Rs. 2,11,81,880 be cancelled.

The location and time of General Body Meetings held in last 3 years is furnished as under -

Year	AGM/EGM	Date	Time	Venue	Special Resolutions
2006 - 2007	8th AGM	14th September, 2007	10:00 a.m.	Hotel Kohinoor Park, Veer Savarkar Marg, Opp. Siddhivinayak Temple, Prabhadevi, Mumbai- 400025	No Special resolutions passed
2005 - 2006	7th AGM	24th June, 2006	10:00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai – 400 034	1. Mr. Vijay Agarwal who was appointed as an additional director is now appointed as director. 2. Remuneration has been fixed of Mr. Atul Mehta and Mr. Bhavesh Mehta
2004 - 2005	6th AGM	18th June, 2005	10:00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai – 400 034	No Special resolutions passed

Disclosures

1. There were no materially significant related party transactions with the promoters, Directors etc. that may have potential conflict with the interests of the Company at large.
2. There was no non - compliance by the Company, Penalties, Strictures imposed on the Company by the Stock Exchange or SEBI or any such statutory authority, on any matter relating to the capital markets during the last three years.
3. There were no pecuniary relationship or transactions of Non - Executive Directors vis - a - vis the Company.
4. A list of transactions with related parties as per Accounting Standard AS 18 mentioned in Schedule 15 to the Audited Accounts.

Means of Communication

The Annual & Quarterly results are submitted to the Stock Exchanges in accordance with the Listing Agreement and published In The Business Standard newspaper and Economic Times.

Distribution of shareholding as on 31st March 2008

No. of Equity Shares Held	Shareholders (Nos.)	Shareholders (%)	Share Amount (Nos.) (Rs.)	Share Amount (%)
Upto - 2500	2349	83.5349	1773350	3.4235
2501 - 5000	227	8.0725	882440	1.7036
5001 - 10000	99	3.5206	705150	1.3613
10001 - 20000	67	2.3826	918720	1.7736
20001 - 30000	18	0.6401	409730	0.7910
30001 - 40000	12	0.4267	418150	0.8072
40001 - 50000	9	0.3201	382890	0.7392
50001 - 100000	15	0.5334	1065190	2.0564
100001 - Above	16	0.5691	45244380	87.3444
TOTAL	2812	100.000	51800000	100.000

Category of Shareholdings as on 31st March, 2008

Category	No. of Shares	% of Shareholding
Other bodies Corporate	112448	2.1708
Clearing Member	7593	0.1466
Director	2566818	49.5525
Foreign Company	63000	1.2162
Market Maker	1553	0.0300
Nationalized Banks	40	0.008
Non Nationalized Banks	1013	0.0196
Non Resident Indians	574332	11.0879
Non Resident (Non Repatriable)	2532	0.0489
Relatives of Directors	1282984	24.7680
Public/Others	552258	10.6614
HUF	15429	0.2979
TOTAL	5180000	100.000

Demat Position as on 31st March, 2008

Total No. Of Fully paid up Shares 1	Shares in Demat Form 2	Percentage (%) 3	Shares in physical form 4	Percentage (%) 5
5180000	5005650	96.63	174350	3.36

SHAREHOLDER INFORMATION

Annual General Meeting

Date 23rd August 2008
 Time 10.00 a.m.
 Venue Haveli 2, Krishna Palace Residency,
 96/98, Sleater Road, Nana Chowk, Mumbai- 400007

Board Meeting for considering of the Audit Accounts

14th April, 2008

Posting of Annual Report

25th July, 2008

Book Closure Date

20th August 2008 to 22nd August 2008 [Both days inclusive]

Financial Year

1st April, 2007 to 31st March, 2008

Last date of receipts of proxy forms

21st August, 2008

Registered Office

COMPUAGE INFOCOM Ltd.,
 #3, Dhuru Building, 329, Vithalbhai Patel Road,
 Mumbai - 400 004.

Equity Shares listed

Bombay Stock Exchange Ltd. (CODE NO.532456)
 *The Stock Exchange, Ahmedabad 12098 (Compinfo)
 *The Stock Exchange, ChennaiCIFC

Registrar & Transfer agents

Intime Spectrum Registry Ltd.,
 C-13, Pannalai Silk Mills Compound, LBS marg,
 Bhandup(W), Mumbai - 400 078.

Financial release dates for 08 - 09

1st Quarter ending 30th June, 2008 - ^ End of July, 2008
 2nd Quarter ending 30th Sep, 2008 - ^ End of Oct, 2008
 3rd Quarter ending 31st Dec, 2008 - ^ End of Jan, 2009
 4th Quarter ending 31st March, 2008 - ^ End of April, 2009

* The Company has submitted the application for delisting of securities from The Stock Exchange, Ahmedabad and The Stock Exchange, Chennai which is under process.
 ^ Tentative and Subject to change.

Stock Price Data

The monthly high and low share prices during the year at BSE are as under

Month	High	Low
April, 2007	19.59	12.75
May, 2007	19.00	16.00
June, 2007	25.75	17.00
July, 2007	29.55	22.60
August, 2007	49.20	27.35
September, 2007	62.45	49.75
October, 2007	63.40	47.65
November, 2007	51.85	36.85
December, 2007	48.00	41.70
January, 2008	63.25	38.85
February, 2008	47.50	36.20
March, 2008	42.95	31.00



WEARECERTIFIEDPROFESSIONALS.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

B. V. Dalal & Co.
Chartered Accountants
C/o Bhogilal C. Shah & Co.,
2A, Shreepant Bhuvan, 1st Floor, Sandhurst Bridge
Mumbai - 400 007

To the Members of the COMPUAGE INFOCOM Ltd.

1. We have examined compliance of the conditions of Corporate Governance by Compuage Infocom Ltd, for the year ended on 31st, March 2008 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

2. The compliance of conditions of Corporate Governance is the responsibility of the 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.

3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the Management, we certify that the company has generally complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

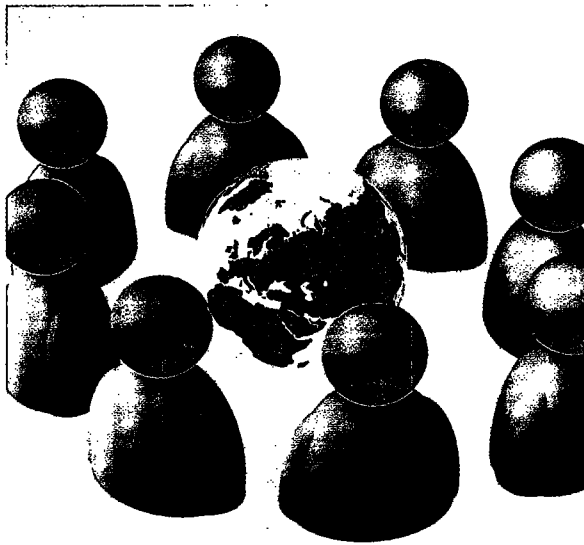
4. We state that in respect of investor grievances received during the year ended 31st March, 2008, the Registrars of the Company have certified that as at 31st March, 2008, there were no investor grievances remaining unattended / pending for more than 30 days.

5. 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, B. V. Dalal & Co.
Chartered Accountants

SD/-

M.S. Shah,
Partner
M. No. 104640
Mumbai, 14th April, 2008



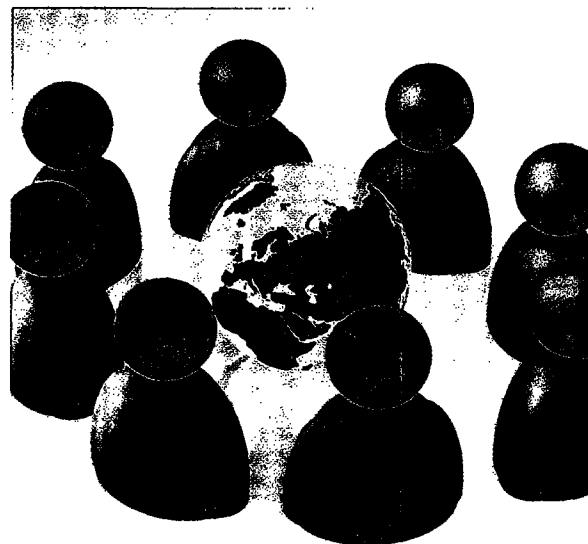
THEGLOBALIZEDAPPROACH.



Management Discussions & Analysis

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THEGLOBALIZEDAPPROACH.

MANAGEMENT DISCUSSION & ANALYSIS

It has taken 25 years for the world to cross the 1 billion PC Mark, but it will take less than 7 years to cross the next 1 billion PC mark. BRIC (Brazil, Russia, India and China) will register highest PC growth rate.

Indian PC industry shall continue to grow at 20 to 25 % per annum for next few years. It will reach penetration level of 25 million per annum from the present 8 million in about 5-7 years.

With the growth rate, the industry offers tremendous opportunities to Compuage. Envisaging this growth potential, Compuage has taken steps to capitalize on prevailing and emerging opportunities. Compuage has invested in intellectual capital, IT backbone and infrastructure. It has built strong relationships with resellers across India backed by some of the finest products across the world. It will be well poised to make most of the growth opportunities. It shall intensify its efforts in this direction. It has plans to have over 100 offices before the end of this decade.

Compuage shall also gear towards the convergence of several product categories beyond IT over the next few years and also explore opportunities in the supply chain space.

Strengths

- Intellectual Capital
- Infrastructure
- Reach in Channel
- Diverse Product Range
- Financially Sound

Concerns

- Highly competitive industry leading to low profitability.

Opportunities

- Indian PC Market to grow at the rate of 20 - 25% p.a.

Threats

- Online/Large Format Retail.



THE FINAL VERDICT.



Auditors' Report

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KEEPING TRACK.

AUDITORS' REPORT

B. V. Dalal & Co.
Chartered Accountants
C/o Bhogilal C. Shah & Co.,
2A, Shreepant Bhuvan, 1st Floor, Sandhurst Bridge
Mumbai - 400 007

To the Members of the COMPUAGE INFOCOM Ltd.

1. We have audited the attached Balance Sheet of 'Compuage Infocom Limited', as at 31st March, 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of Section 227 (4A) of the Companies Act 1956 and amended by DCA Notification GSR 766 (E) dated 25th November 2004, we give in the Annexure hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) 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;
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Act.
- v) On the basis of written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of Section 274(1)(g) of the Act.
- vi) In our opinion and to the best of our information and according to explanations given to us, the said accounts together with the notes appearing thereon, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For, B. V. Dalal & Co.
Chartered Accountants

SD/-

M.S. Shah,
Partner
M. No. 104640
Mumbai, 14th April, 2008



BEINFORMED.

ANNEXURE TO THE AUDITORS' REPORT

B. V. Dalal & Co.
Chartered Accountants
C/o Bhogilal C. Shah & Co.,
2A, Shreepant Bhuvan, 1st Floor, Sandhurst Bridge
Mumbai - 400 007

(Referred to in paragraph 3 of our report of even date)

- (I) (a) The Company is in the process of maintaining 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. In the absence of records vide clause (a) above, the question of discrepancies did not arise.
- (c) As per the information and explanations given to us, during the year, the company has not disposed off any substantial part of fixed assets that would affect the going concern status of the company.
- (ii) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of inventory records, we are of opinion that the company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of the inventories, having regard to the size of the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) The Company has granted loans to parties covered in the register maintained under section 301 of the Act. There is one party covered in the said register to whom the Company has given loan. The maximum amount involved during the year was Rs. 47.62 lakhs and the year end balance of loan given to such party was Rs. 47.62 lakhs.
- (b) Rate of Interest & other terms & conditions of the loan given by the company are not stipulated.
- (c) The terms of repayment of principal amount & interest have not been stipulated.
- (d) As the terms & conditions for repayment of principal & interest are not stipulated, there is no question of overdue amount.
- (e) The Company has taken unsecured loans from parties covered in the register maintained under section 301 of the Act. There are 15 parties covered in the said register from which the Company has taken loans. The maximum amount involved during the year was Rs. 157.27 lakhs and the year end balance of unsecured loans taken from such parties was Rs. 115.18 lakhs.
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (g) The payment of the principal amount and interest during the year have been regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for sale of goods and services. We have not observed any continuing failure to correct major weakness in the internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, there have been no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register required to be maintained under the said Section; and
- (b) There being no transactions made in pursuance of such contracts or arrangements as reported vide clause (a), the question of prices being reasonable having regard to the prevailing market prices at the relevant time does not arise;



BEINFORMED.

ANNEXURE TO THE AUDITORS' REPORT - p2

- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. The provisions of section 58AA are not applicable there being no acceptance of deposits from small depositors. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) As explained to us, the Central Government has not prescribed the maintenance of Cost Records under section 209 (1) (d) of The Companies Act and the relevant Notification G.S.R. 277 (E) dated 24th April, 2001 of the Government is not applicable to the Company being a trading company.
- (ix) (a) According to the information and explanations 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, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year.
 (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (x) The company neither has accumulated losses nor it has incurred any cash losses during the current financial year and the immediately preceding financial year.
- (xi) According to the information and explanations given to us the company has not defaulted in repayment of dues to financial institutions or banks. There are no debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- (xiii) In our opinion, the company is not a chit fund, a nidhi or a mutual benefit society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanation given to us, term loans availed by the Company were, prima facie, applied by the company during the year for the purpose for which loans were obtained.
- (xvii) To the best of our knowledge and belief and according to the information and explanation given to us, the funds raised on short term basis during the year have not been used for long term investment and no long term funds have been used to finance short term assets.
- (xviii) During the year company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures during the year and therefore the question of creating security or a charge in respect thereof does not arise.



BEINFORMED.

ANNEXURE TO THE AUDITORS' REPORT - p3

- (xx) The Company has not made any public issues during the year and therefore the question of disclosing the end use of money does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For, B. V. Dalal & Co.
Chartered Accountants

SD/-

M.S. Shah,
Partner
M. No. 104640
Mumbai, 14th April, 2008



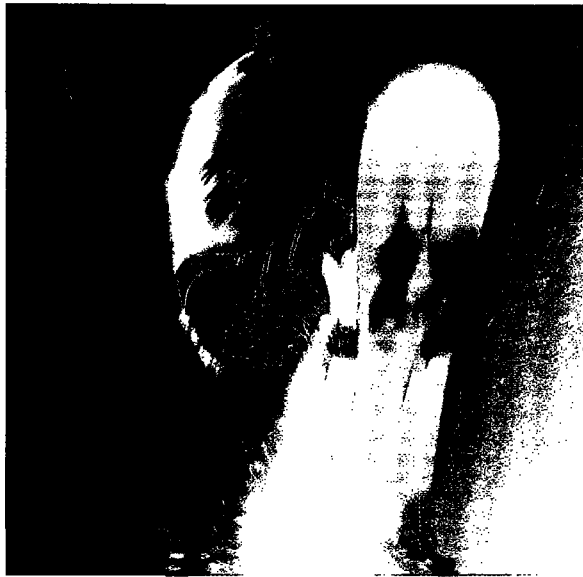
THEPOWEROFNUMBERS.



Financials

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THE PERFECT BALANCE.

BALANCESHEET

Balance Sheet as at 31st March, 2008

(in Rs. Lacs)

SOURCES OF FUNDS	SCHEDULE	31st March, 2008	31st March, 2007
Shareholders' Funds			
Share Capital	1	859.54	2260.98
Reserves & Surplus	2	707.17	732.33
		<u>1566.71</u>	<u>2993.31</u>
Loan Funds			
Secured Loans	3	1236.46	1179.76
Unsecured Loans	4	2314.42	1178.92
		<u>3550.88</u>	<u>2358.68</u>
TOTAL		<u>5117.59</u>	<u>5351.99</u>
APPLICATION OF FUNDS			
Goodwill		0.00	1263.02
Fixed Assets: Gross Block	5	480.37	409.72
Less: Depreciation		286.75	233.01
Net Block		<u>193.62</u>	<u>176.71</u>
Investments	6	14.00	14.00
Current Assets, Loans & Advances			
Inventories	7	6534.72	3111.70
Sundry Debtors	8	5884.25	5768.36
Cash & Bank Balances	9	1280.29	380.86
Loans & Advances	10	969.16	621.81
		<u>14668.42</u>	<u>9882.73</u>
Less: Current Liabilities & Provisions			
Current Liabilities	11	9334.46	5736.52
Provisions	12	406.23	240.00
		<u>9740.69</u>	<u>5976.52</u>
Net Current Assets		4927.73	3906.21
Misc. Expenditure (To the extent not W/off)		0.00	12.89
Deferred Tax Liability		(17.76)	(20.84)
TOTAL		<u>5117.59</u>	<u>5351.99</u>
Notes forming part of accounts	17		

As per report of even date attached
For, B. V. Dalal & Co.
Chartered Accountants

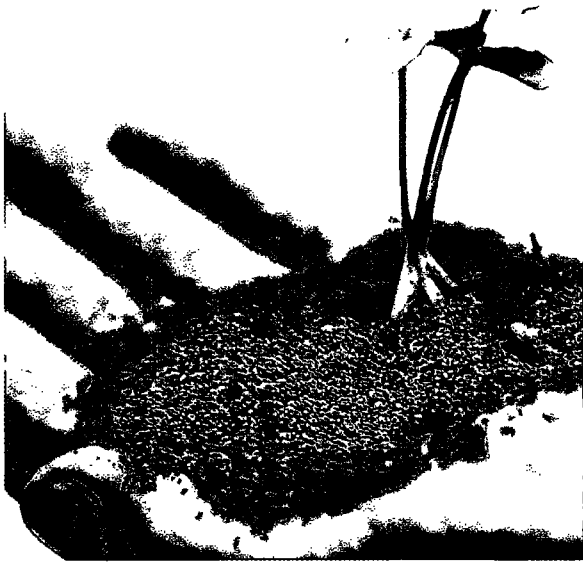
SD/-
M.S. Shah,
Partner
M. No. 104640
Mumbai, 14th April, 2008

For and on behalf of the Board of Directors
For, Compuage Infocom Ltd.,

SD/-
G. S. Ganesh
Director

SD/-
Bhavesh H Mehta
Director

SD/-
Atul H Mehta
Chairman & Managing Director



GROWING PROFITS

PROFIT & LOSS ACCOUNT

Profit & Loss Account for the year ended 31st March, 2008

(In Rs. Lacs)

	SCHEDULE	31st March, 2008	31st March, 2007
INCOME			
Sales		61137.81	30187.64
Other Income		33.83	10.69
		<u>61171.64</u>	<u>30198.33</u>
EXPENDITURE			
Cost of Goods Sold	13	55340.07	26557.44
Employees Cost	14	575.55	386.96
Administrative & Selling Expenses	15	3864.77	2515.76
Interest & Other Financial Expenses	16	675.38	372.65
Depreciation	5	53.74	44.72
		<u>60509.51</u>	<u>29877.53</u>
Profit Before Tax (PBT)		662.13	320.80
Fringe Benefit Tax		13.91	11.89
Provision for Tax			
Current		225.00	115.00
Deferred Tax		(3.08)	(1.53)
Add: Excess provision W/back		1.46	0.00
Profit After Tax (PAT)		427.76	195.44
Add: Balance brought forward		630.33	434.89
Amount available for Appropriations		<u>1058.09</u>	<u>630.33</u>
Less: Utilized towards Capital Restructuring		452.92	0.00
Balance Carried to Balance Sheet		<u>605.17</u>	<u>630.33</u>
		<u>1058.09</u>	<u>630.33</u>
Basic & Diluted Earnings per Share (EPS) (Rs.)		8.26	1.57
Notes forming part of accounts	17		

As per report of even date attached
For, B. V. Datal & Co.
Chartered Accountants

SD/-

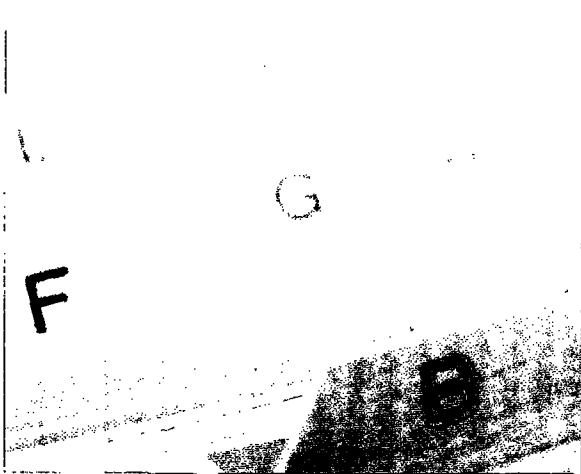
M.S. Shah,
Partner
M. No. 104640
Mumbai, 14th April, 2008

For and on behalf of the Board of Directors
For, Compuage Infocom Ltd.,

G. S. Ganesh
Director

Bhavesh H Mehta
Director

Atul H Mehta
Chairman & Managing Director



CATALOGUED FOR YOUR EASE

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule 1

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
SHARE CAPITAL		
Authorised:		
A. Equity Shares:		
19254000 Equity share of Rs. 10 each (Previous year 12500000 Equity share of Rs. 10 each)	1925.40	1250.00
B. Preference Shares:		
4665600 Preference shares of Rs.0.10 (Ten paise) each	4.67	
3369344 Preference shares of Rs.10 each (Previous year 10170000 Cumulative Redeemable Preference shares of Rs.10 each)	<u>336.93</u> 341.60	1017.00
	<u>2267.00</u>	<u>2267.00</u>
Issued, Subscribed & paid up:		
A. Equity Shares:		
5180000 Equity shares of Rs.10 each fully paid (Previous year 12457315 Equity shares of Rs.10 each fully paid)	518.00	1245.73
B. Preference Shares:		
560 12% Cumulative Redeemable Preference Shares of Rs.10 each fully paid - A series.	0.05	0.05
4665570, 12% Preference Shares of Rs. 0.10 (Ten Paise) each fully paid - B series. (Previous year 4665574, 12% Cumulative Redeemable Preference Shares of Rs. 10 each fully paid - B series.)	4.67	466.56
2118187, 2% Preference Shares of Rs.10 each fully paid - C series. (Previous year 4236375, 2% Redeemable Preference Shares of Rs. 10 each fully paid - C series.)	211.82	423.64
1250000, 7% Cumulative Redeemable Preference Shares of Rs. 10 each fully paid - D series. (Earliest date of Redemption; A, B , C & D series 31st March 2009)	125.00	125.00
	<u>859.54</u>	<u>2260.98</u>

Schedule 2

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
RESERVES & SURPLUS		
General Reserve:		
Opening / Closing Balance	102.00	102.00
Profit & Loss Account Balance	605.17	630.33
	<u>707.17</u>	<u>732.33</u>

Schedule 3

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
SECURED LOANS		
(Secured against hypothecation of Stocks and Book debts and guaranteed by Directors)		
Cash Credit from Banks	1236.46	1179.76
	<u>1236.46</u>	<u>1179.76</u>



CATALOGUED FOR YOUR EASE

SCHEDULES FORMING PART OF THE BALANCE SHEET - p2

Schedule 4

(in Rs. Lacs)

	31st March, 2008	31st March, 2007
UNSECURED LOANS		
Short Term Loans:		
From Others (Guaranteed by Directors)	2234.40	1090.73
Long Term Loans:		
ECB Loan	80.02	88.19
{Due within a year Rs.80.02 Lacs (Previous year Rs.88.19 Lacs)}		
	<u>2314.42</u>	<u>1178.92</u>

Schedule 5

(in Rs. Lacs)

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 01.04.07	Addition	Deduction	As on 31.03.08	As on 01.04.07	For the Year	Less on Dec.	As on 31.03.08	As on 31.03.08	As on 01.04.07
FIXED ASSETS										
Office Premises	19.78	-	-	19.78	1.58	0.32	-	1.90	17.88	18.20
Information Technology Equipment	244.42	36.48	-	280.90	189.68	43.04	-	232.72	48.18	54.74
Vehicles	34.75	0.56	-	35.31	6.86	3.33	-	10.19	25.12	27.89
Office Equipment	48.59	8.61	-	57.20	12.67	2.55	-	15.22	41.98	35.92
Furniture & Fixtures	62.18	25.00	-	87.18	22.22	4.50	-	26.72	60.46	39.96
TOTAL	409.72	70.65	-	480.37	233.01	53.74	-	286.75	193.62	176.71
Previous Year	363.12	53.15	6.55	409.72	192.86	44.72	4.57	233.01	176.71	

Schedule 6

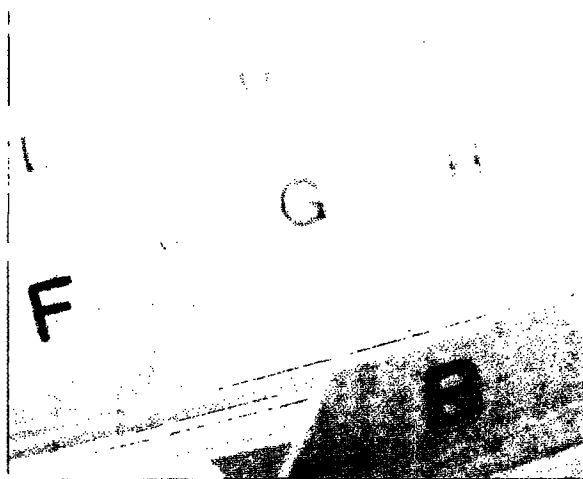
(in Rs. Lacs)

	31st March, 2008	31st March, 2007
INVESTMENTS (AT COST)		
(Non-Trade - Unquoted)		
46,666 Equity Shares of Bombay Mercantile Co - op Bank Ltd. of Rs.30 each	14.00	14.00
	<u>14.00</u>	<u>14.00</u>

Schedule 7

(in Rs. Lacs)

	31st March, 2008	31st March, 2007
INVENTORIES		
(AT COST/REALIZABLE VALUE WHICHEVER IS LOWER)		
(As taken, valued and certified by a Director)	6534.72	3111.70
	<u>6534.72</u>	<u>3111.70</u>



CATALOGUED FOR YOUR EASE

SCHEDULES FORMING PART OF THE BALANCE SHEET - p3

Schedule 8

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
SUNDRY DEBTORS (Unsecured, Considered good unless stated otherwise) (Net of Advances)		
Outstanding for more than Six months :		
Good	54.01	543.22
Doubtful	0.00	30.17
Others debts	5830.24	5225.14
Doubtful	0.00	0.00
	<u>5884.25</u>	<u>5798.53</u>
Less : Provision For Doubtful Debt	0.00	30.17
	<u>5884.25</u>	<u>5768.36</u>

Schedule 9

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
CASH & BANK BALANCES		
Cash on hand	11.29	12.72
Balances with Scheduled Banks	79.40	7.30
Margin Money (Deposits against L/C, pledged with the banks)	1189.60	360.84
	<u>1280.29</u>	<u>380.86</u>

Schedule 10

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
LOANS & ADVANCES (Unsecured, Considered Good)		
Advance Tax Payments	443.08	197.41
Advances recoverable in cash or in kind or for value to be received	302.08	218.73
Security Deposits	224.00	205.67
	<u>969.16</u>	<u>621.81</u>

Schedule 11

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
CURRENT LIABILITIES		
Bills Payables (Net of Debit balance)	9013.81	5576.12
Sundry Creditors		
Small scale industrial undertakings	-	-
Others	318.32	158.07
Advance from Customers	0.00	0.00
Unclaimed Dividend	2.33	2.33
	<u>9334.46</u>	<u>5736.52</u>



CATALOGUED FOR YOUR EASE

SCHEDULES FORMING PART OF THE BALANCE SHEET - p4

Schedule 12

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
PROVISIONS		
Taxation	406.23	240.00
	<u>406.23</u>	<u>240.00</u>

As per report of even date attached
For, B. V. Datal & Co.
Chartered Accountants

SD/-

M.S. Shah,
Partner
M. No. 104640
Mumbai, 14th April, 2008

For and on behalf of the Board of Directors
For, Compuage Infocom Ltd.,

SD/-

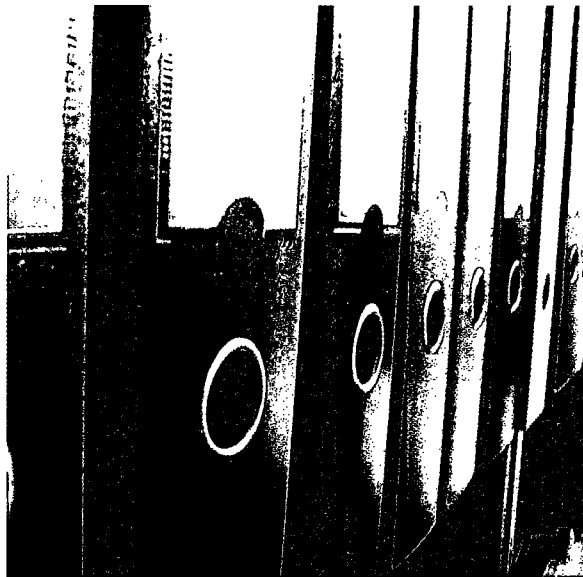
G. S. Ganesh
Director

SD/-

Bhavesh H Mehta
Director

SD/-

Atul H Mehta
Chairman & Managing Director



ANNEXED TO THE LAST DETAIL

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

Schedule 13

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
COST OF GOODS SOLD		
Opening Stock	3111.70	3017.59
Purchases	58763.09	26651.55
Less: Closing Stock	6534.72	3111.70
	<u>55340.07</u>	<u>26557.44</u>

Schedule 14

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
EMPLOYEES COST		
Salaries and Bonus {Including to Directors Rs.72 Lacs (Previous year Rs.66.00 Lacs)}	522.70	357.14
Gratuity & Leave Encashment	11.37	6.14
Provident Fund	7.74	6.30
E.S.I.C.	2.81	1.00
Staff Welfare Expenses	30.93	16.38
	<u>575.55</u>	<u>386.96</u>

Schedule 15

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
ADMINISTRATIVE & SELLING EXPENSES		
Rent and compensation	99.64	76.65
Rates & Taxes	0.87	0.67
Electricity	23.79	14.57
Insurance	27.60	20.82
Bad Debts written off	0.00	7.27
Sales Tax	2391.72	1467.82
Auditors Remuneration		
Audit fees	1.50	1.50
Taxation Matter	1.30	1.30
Other Services	0.15	0.15
Miscellaneous Expenses	1318.20	924.19
Loss on sale of asset (Net)	0.00	0.82
	<u>3864.77</u>	<u>2515.76</u>

Schedule 16

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
INTEREST & OTHER FINANCIAL EXPENSES		
Interest on Loans	737.96	390.75
Less: Interest Received	62.58	18.10
{Inclusive of TDS-Rs.14.84 Lacs, (Previous year Rs.3.10 Lacs).}		
	<u>675.38</u>	<u>372.65</u>



THERIGHTNOTE

SCHEDULES FORMING PART OF THE ACCOUNTS

Schedule 17 - Notes to the Accounts for the year ended 31st March, 2008

1. Significant Accounting Policies

a. Basis of Preparation:

The financial statements have been prepared under the historical cost convention on accrual basis of accounting method in accordance with the mandatory Accounting standards and Statements issued by the Institute of Chartered Accountants of India and relevant provisions the Companies Act, 1956, as consistently adopted by the company.

b. Use of Estimates & Judgments:

Management has made certain estimates & assumptions while preparing & presenting the financial statements that affect the reported amounts of assets & liabilities, the disclosure of contingent assets & liabilities, at the year end and amounts of revenues & expenses during the year reported. Actual results could differ from these estimates & adjustments. Any revision arising there from is recognized prospectively in the future period.

c. Fixed Assets:

(i) Fixed Assets are stated at historical cost.

(ii) Cost includes cost of acquisition or construction and other cost directly attributable to such acquisition and installation but net of VAT, if any, wherever setoff is available.

d. Depreciation:

Depreciation is provided under Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956. In case of additions during the year, pro rata basis is applied taking the month of purchase as full month. In case of sale, no depreciation is provided for the month of sale.

e. Sales & Sales Tax:

Sales are accounted on inclusive of Sales tax basis.

f. Import Purchases:

Import purchases are recognized only upon physical receipt of consignment at the warehouse of the company; Customs duty paid thereon is hence treated as advance paid.

g. Foreign Currency Transactions:

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transactions. In certain cases foreign currency transactions are recorded at a fixed exchange rate. All exchange rate differences in respect of foreign currency transactions are dealt with in Profit & Loss account [except those relating to acquisition of fixed assets if any, which are adjusted in the cost of the assets]. All foreign currency assets and liabilities, if any, as at the balance sheet date are restated at the applicable exchange rates prevailing at that date & the amount Rs.110.19 Lacs, (Previous year Cr.Rs.42.44 Lacs) is credited to Profit & Loss Account.

h. Investments:

Investments are stated at cost, being long term in nature.

i. Inventories:

(i) Stock of goods traded is valued at lower of cost and net realizable value. The costs are determined on a weighted average basis.

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

j. Retirement Benefits:

The Gratuity is accounted for on the basis of Actuarial valuation, based on premium calculated by LIC under Its Group Gratuity (Cash Accumulation) Scheme.

k. Deferred Taxes:

In accordance with Accounting Standard 22 – "Accounting for Taxes on Income" the Company has recognized Deferred Tax Liability arising out of timing difference between Taxable Income and Accounting Income.

Deferred Tax Assets and Liabilities are stated at the substantively enacted Income Tax rates at the close of the year. Deferred tax assets are created only to the extent they are expected to materialize.



THERIGHTNOTE

SCHEDULES FORMING PART OF THE ACCOUNTS - p2

The Break up of Deferred Tax Liability as on 31st March 2008 is as under.

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
DEFERRED TAX LIABILITY		
Difference in Book and Income Tax Depreciation under IT Act 1961	<u>52.25</u>	<u>61.31</u>
Total Timing Difference	52.25	61.31
Deferred Tax Liability	17.76	20.84

2. Confirmation from Debtors and Creditors are in the process of being obtained as yet.

3. Contingent liabilities

Fixed Cumulative preference dividend of Rs.13.55 Lacs (Previous year Rs.73.22 Lacs) for the year has been waived by the Preference Shareholders.

4. 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.

5. Additional information pursuant to para 4C, 4D of part II of Sch VI :

5.1 Particulars of quantitative details pursuant to paragraph 3 of Part II to schedule VI of the companies Act, 1956 are not applicable due to the nature of activity [i.e. Trading] involved and the large number of computers / computer peripherals & accessories.

5.2 Valuation of Imports calculated on C.I.F. basis is RS.19692.84 Lacs. (Rs.6518.24 Lacs)

5.3 Expenditure in Foreign currency

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
EXPENDITURE IN FOREIGN CURRENCY		
Traveling	23.58	26.69
Interest	2.14	8.48

6. Related Party Information

A. DIRECTORS & THEIR RELATIVES

(Related to Interest on Loans given to the Company Etc.)

1. Vanita H. Mehta
2. Atul H. Mehta
3. Ajay H. Mehta
4. Bhavesh H. Mehta
5. Falguni A. Mehta
6. Manisha A. Mehta
7. Forum B. Mehta
8. H. T. Mehta (HUF)
9. Raahil B Mehta
10. Chandulal P Mehta
11. Yash A Mehta
12. Aditya A Mehta
13. Atul H Mehta (HUF)
14. Ajay H Mehta (HUF)

B. OTHER RELATED PARTIES

1. Trillizo Holdings Limited
2. Compuage Software Technology Limited
3. Addonix Computers Pvt. Ltd.
4. Pristine Care Products Pvt. Ltd.



THE RIGHT NOTE

SCHEDULES FORMING PART OF THE ACCOUNTS - p3

Transactions with related parties

(In Rs. Lacs)

	31st March, 2008	31st March, 2007
TRANSACTIONS WITH RELATED PARTIES		
Interest paid to A & B	12.94	6.22
Remuneration Paid to A	75.60	75.60
Outstanding Receivables as at Balance Sheet date from B	185.62	468.97
Outstanding Payables as at Balance Sheet date to A & B	115.18	56.25

7. The company is in the business of distribution of computer parts & peripherals in India having similar risks and rewards and therefore there is only one geographical and business segment.

8. Particulars of Earnings per Share (EPS)

	31st March, 2008	31st March, 2007
PARTICULARS OF EARNINGS PER SHARE (EPS)		
Net Profit for the year (Rs. Lacs)	427.76	195.44
Less: Cumulative Preference Dividend (Rs. Lacs)	Nil	Nil
Number of Equity Shares (Equity Shares)	5180000	12457315
Nominal Value of the Share (Rs.)	10.00	10.00
Basic & Diluted Earnings per Share (EPS) (Rs.)	8.26	1.57

9. In pursuance of a scheme of Capital Reduction approved by the Equity Shareholders and Preference Shareholders Series B & Series C at the Extra Ordinary General Meeting held on 14th September 2007 and subsequently confirmed by the Hon'ble High Court of Judicature at Bombay vide their order dated 15th February 2008. The following amounts have been written off during the year:

- Goodwill amounting to Rs 12,63,02,491/-
- Non recoverable Debtors of Rs 5,43,20,463/-
- Non moving Inventory (Modem Stock) of Rs 35,24,072/-
- Miscellaneous Expenditure of Rs 12,89,376/-

The said amounts were written off against the following:

- Rs 7,27,73,150/- reduced from Equity Share Capital.
- Rs 4,61,89,183/- reduced from 12% Cumulative Redeemable Preference Share Capital (B Series)
- Rs 2,11,81,880/- reduced from 2% Cumulative Redeemable Preference Share Capital (C Series)
- Rs 4,52,92,189/- against Credit balance of Profit & Loss Account & General Reserve Account.

10. Figures of the previous year have been regrouped wherever necessary.

11. Information pursuant to part IV of Schedule VI of the Companies Act 1956 is given vide Annexure A attached herewith.

As per report of even date attached
For, B. V. Dalal & Co.
Chartered Accountants

For and on behalf of the Board of Directors
For, Compuage Infocom Ltd.,

SD/-

M.S. Shah,
Partner
M. No. 104640
Mumbai, 14th April, 2008

SD/-

G. S. Ganesh
Director

SD/-

Bhavesh H Mehta
Director

SD/-

Atul H Mehta
Chairman & Managing Director



FRESHVIBRANTDYNAMIC

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

Annexure A

Additional Information Required As per
Part IV Of Schedule VI Of The Companies Act, 1956.

1. Registration Details

U 72900 MH 2022 PLC 135914

2. Capital Raised During The Year

(Amount in Rs. Thousands)

Public Issue

NIL

Right Issue

NIL

Private Placements

NIL

3. Position Of Mobilization And Deployment Of Funds

(Amount in Rs. Thousands)

Total Liabilities

1485828

Total Assets

1485828

Sources Of Funds

Paid Up Capital

85954

Reserves & Surplus

70717

Secured Loans

123646

Unsecured Loans

231442

Application Of Funds

Net Fixed Assets

19362

Investments

1400

Net Current Assets

492773

Miscellaneous Expenditure

0

Accumulated Losses

NIL

4. Performance Of Company

(Amount in Rs. Thousands)

Turnover

6117164

Total Expenditure

6050951

Profit Before Tax

66213

Profit After Tax

42776

Earning Per Share in Rupees

8.26

Dividend Rate

NIL

5. Generic Names Of The Principal Products/Services Of Company

Item Code No.(ITC Code)

8471 & 8473

Product Description

Computer Peripherals, Consumables & Accessories

As per report of even date attached
For, B. V. Datal & Co.
Chartered Accountants

SD/-

M.S. Shah,
Partner
M. No. 104640
Mumbai, 14th April, 2008

For and on behalf of the Board of Directors
For, Compuage Infocom Ltd.,

SD/-

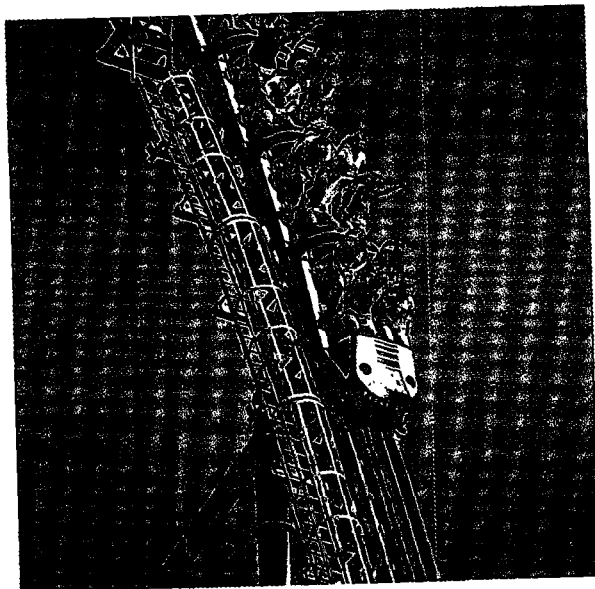
G. S. Ganesh
Director

SD/-

Bhavesh H Mehta
Director

SD/-

Atul H Mehta
Chairman & Managing Director



SITBACKANDENJOYTHE RIDE

CASHFLOWSTATEMENT

Cash Flow Statement for the year ended as at 31st March, 2008

(in Rs. Lacs)

	31st March, 2008	31st March, 2007
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	662.13	320.80
Adjustment for:		
Depreciation	53.74	44.72
Interest Received	(62.58)	(18.10)
Interest	737.96	390.76
Loss/(profit) on sale of Assets	-	0.80
Operating profit before Working Capital Changes	1391.25	738.98
Decrease / (Increase) in Sundry Debtors	(659.09)	(3282.25)
Decrease / (Increase) in Inventories	(3458.26)	(94.11)
Decrease / (Increase) in Loans & Advances	(347.35)	(157.88)
Increase / (Decrease) in Current Liabilities	3597.94	3021.69
Increase / (Decrease) in Provision for Taxes	166.23	70.57
Increase / (Decrease) in Deferred Taxes	(3.08)	(1.53)
Excess provision written back	1.46	-
TOTAL	(702.15)	(443.51)
Income Tax	(221.92)	(113.47)
Fringe Benefit Tax	(13.91)	(11.89)
Net Cash Inflow / (Outflow) from Operating Activities	453.27	170.11
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(70.65)	(53.15)
Proceeds of Sale of Fixed Assets	-	1.18
Interest Received	62.58	18.10
Net Cash Inflow / (Outflow) from Investing Activities	(8.07)	(33.87)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Borrowing	(8.17)	(3.49)
Short Term Borrowing	1143.67	424.87
Working Capital Borrowing	56.69	(92.10)
Interest Paid	(737.96)	(390.76)
Misc Expenses to the extent not W/off	-	(12.89)
Net Cash Inflow / (Outflow) from Financing Activities	454.23	(74.37)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	899.43	61.87
Cash and Cash Equivalents as at the beginning of the year	380.86	318.99
Cash and Cash Equivalents as at the end of the year	1280.29	380.86
	899.43	61.87

We have examined the above cash Flow statement of Compuage Infocom Limited for the year ended March 31, 2008. This statement has been prepared by the company in accordance with the requirement under clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance sheet of the company for the year ended March 31, 2008.

As per report of even date attached
For, B. V. Dalal & Co.
Chartered Accountants

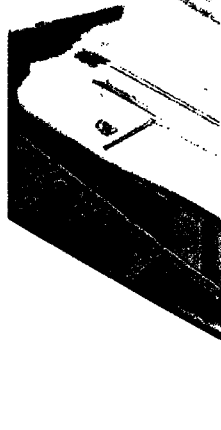
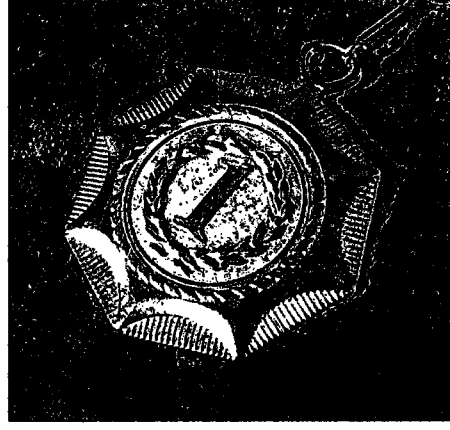
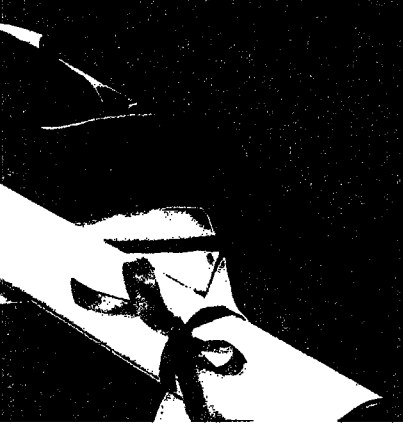
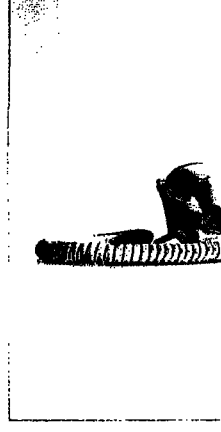
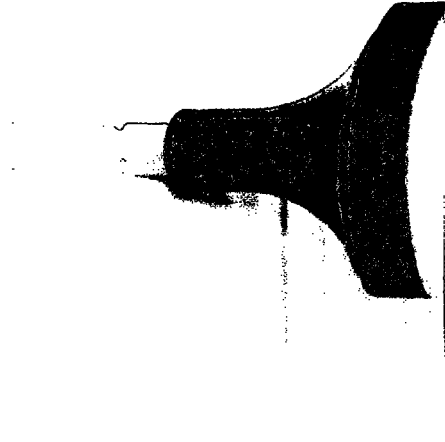
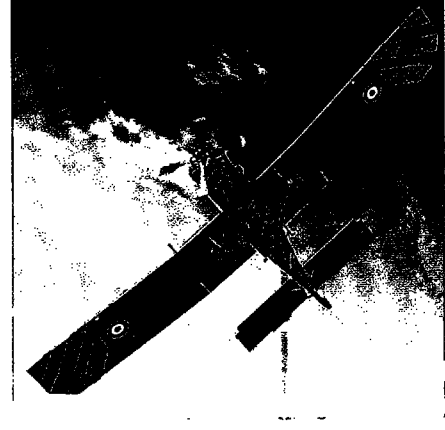
SD/-
M.S. Shah,
Partner
M. No. 104640
Mumbai, 14th April, 2008

For and on behalf of the Board of Directors
For, Compuage Infocom Ltd.,

SD/-
G. S. Ganesh
Director

SD/-
Bhavesh H Mehta
Director

SD/-
Atul H Mehta
Chairman & Managing Director



COMPUAGE INFOCOM LTD.

3, Dhuru Building, 1st Floor, 329 Vithalbhair Patel Road, Mumbai - 400 004.

ATTENDANCE SLIP 9th ANNUAL GENERAL MEETING

Full Name of the Member/Proxy attending : _____
Full Name of the first joint holder : _____
Folio No. : _____
DP ID & Client ID : _____
No. of Shares held : _____

I hereby record my presence at the 9th ANNUAL GENERAL MEETING of the company held on Saturday, the 23rd August, 2008 at Havell 2, Krishna Palace Residency, 96/98, Sleater Rd., Nana Chowk, Mumbai - 400007 at 10.00 a.m.

Member's / Proxy's Signature

Note: Member / Joint Holder / Proxies are requested to bring this slip with them and hand it over at the entrance. Duplicate slips will not be issued at the entrance of the venue.

COMPUAGE INFOCOM LTD.

3, Dhuru Building, 1st Floor, 329 Vithalbhair Patel Road, Mumbai - 400 004.

FORM OF PROXY 9th ANNUAL GENERAL MEETING

I/We _____
of _____ in the district of _____
_____ being a member(s) of the above named company, hereby appoint
Mr./Ms. _____
of _____ in the district of _____
and falling him / her Mr./Ms. _____
of _____ in the district of _____
as my / our proxy to vote for me / us, on my / our behalf at the 9th ANNUAL GENERAL MEETING of the company held on Saturday, the 23rd August, 2008 at Havell 2, Krishna Palace Residency, 96/98, Sleater Rd., Nana Chowk, Mumbai - 400007 at 10.00 a.m. and at any adjournment thereof.

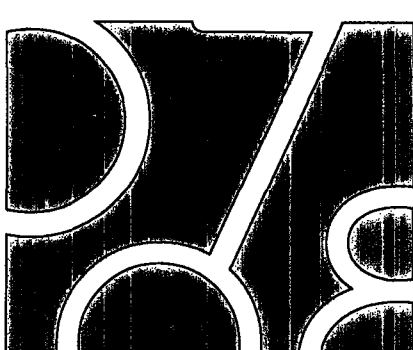
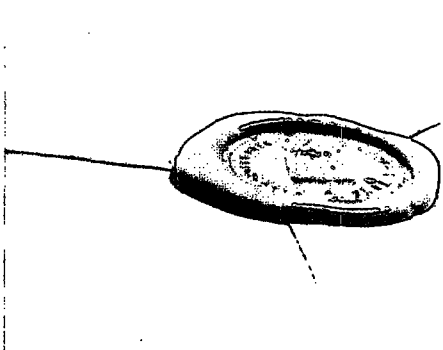
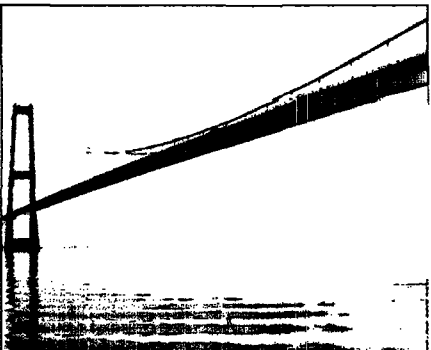
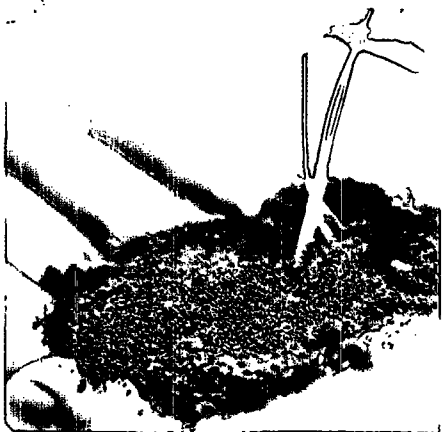
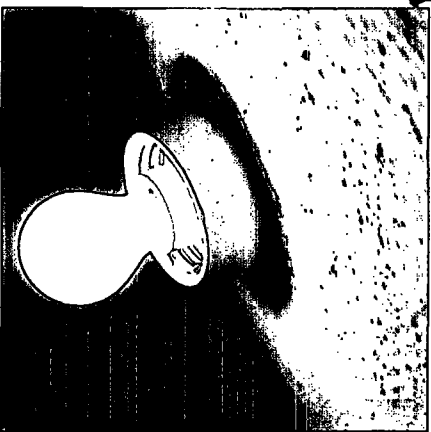
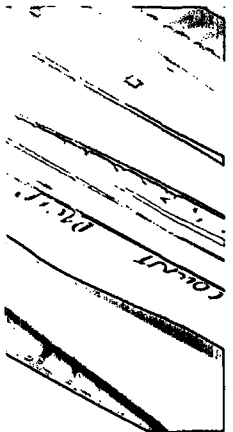
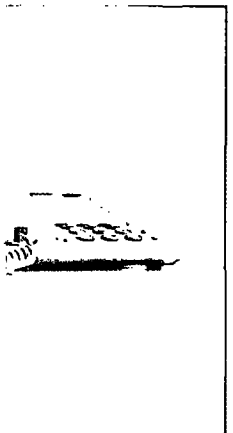
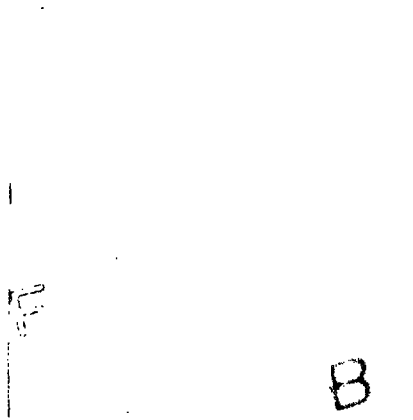
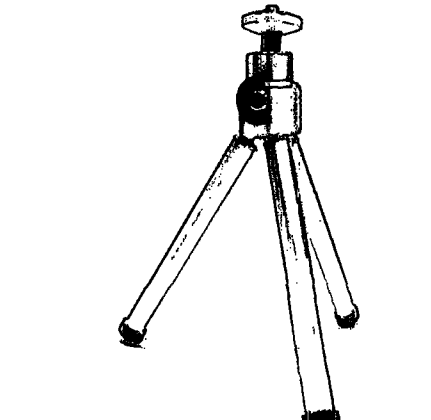
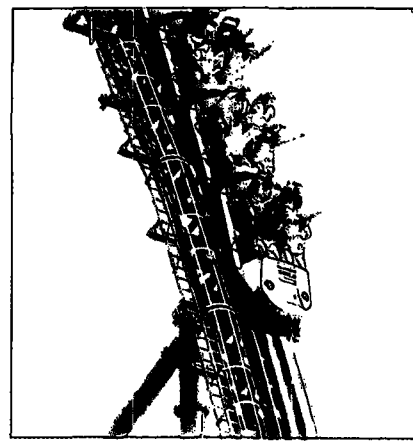
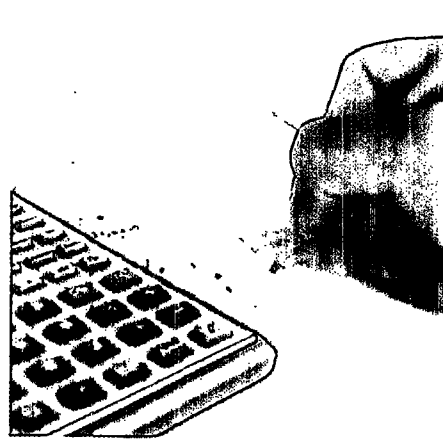
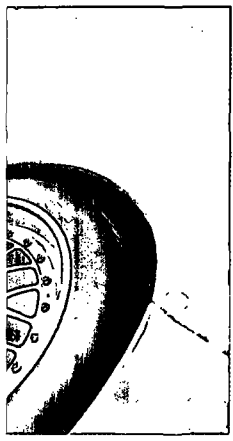
Signed this _____ day of _____ 2008

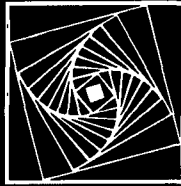
Folio No. : _____
DP ID & Client ID : _____
No. of Shares Held : _____

Affix
Rs. 1/-
Revenue
Stamp.

Signature

Note: The Proxy Form duly completed must be deposited at the Registered office of the company not less than 48 hours before the time of holding of the meeting.





www.compuageindia.com

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