



## COMPUAGE INFOCOM LTD

Date: 14<sup>th</sup> February, 2025

To,

**The Corporate Services Dept.  
BSE Ltd.**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001.

**National Stock Exchange of India Ltd.,**

Exchange Plaza,  
C-1, Block G, Bandra Kurla Complex,  
Bandra (E),  
Mumbai- 400 051

**Security Code: 532456  
ISIN: INE070C01037**

**Symbol: COMPINFO**

Dear Sir,

**Sub: Submission of the 24th Annual Report of Compuage Infocom Limited for the Financial Year 2022-23**

Dear Sir / Ma'am,

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of 24<sup>th</sup> Annual Report of the Company for the Financial Year 2022-23. This is to inform you that the 24<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Monday, 10<sup>th</sup> March, 2025 at 11.00 AM IST through Video Conferencing / Other Audio Visual Means.

We request you to take the above information on record.

Thanking you,

Yours faithfully,

**FOR Compuage Infocom Limited (Under CIRP)**

**Gajesh Labhchand Jain**

Resolution Professional in the matter of M/s Compuage Infocom Limited vide Hon'ble NCLT order dated 29.04.2024, received on 09.05.2024.

**Reg. No.: IBBI/IPA-001/IP-P-01697/2019 -2020/12588**

**AFA Validity: 31/12/2025**

**Reg. Address with IBBI: D-501, Clifton Society, Raviraj Oberoi Marg, Shastri Nagar, Andheri (west),**

Mumbai 400053

**309, A to Z Industrial Estate,  
Ganpatrao Kadam Marg, Lower  
Parel, Delisle Road, Mumbai-  
400013, India.**

**Ph.: +91-22-4748 5603**

**info@compuageindia.com**

**www.compuageindia.com**

**CIN: L99999MH1999PLC135914**



## COMPUAGE INFOCOM LTD

**Project-specific address for correspondence:** C-602, Remi Biz Court, Off Veera Desai road, Azad Nagar, Andheri west, Mumbai -400053

**Reg. Email ID with IBBI:** [gajeshjain@gmail.com](mailto:gajeshjain@gmail.com)

**Project specific email ID for correspondence:** [cirp.compuage@gmail.com](mailto:cirp.compuage@gmail.com)

*(Compuage Infocom Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Gajesh Labhchand Jain, appointed under the provisions of the Insolvency and Bankruptcy Code 2016.)*

Encl.: As Above

**309, A to Z Industrial Estate,  
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CIN: L99999MH1999PLC135914**



**COMPUAGE INFOCOM LTD**

### **Notice of Annual General Meeting**

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of the Company will be held on Monday, 10<sup>th</sup> March, 2025 at 11:00 A.M. for the financial year 2022-2023 through Video Conference (“VC”)/ Other Audio-Visual Means (OAVM”) (hereinafter referred to as “electronic mode”) to transact the following business:

#### **ORDINARY BUSINESS: -**

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023, along with the Reports of the Board of Directors and the Auditors thereon;

**FOR Compuage Infocom Limited (Under CIRP)**

**Sd/-**

**Gajesh Labhchand Jain**

Resolution Professional in the matter of M/s Compuage Infocom Limited vide Hon’ble NCLT order dated 29.04.2024, received on 09.05.2024.

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**Reg. Email ID with IBBI:** [gajeshjain@gmail.com](mailto:gajeshjain@gmail.com)

**Project specific email ID for correspondence:** [cirp.compuage@gmail.com](mailto:cirp.compuage@gmail.com)

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**Date: 14<sup>th</sup> February, 2025**

**Place: Mumbai**

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**NOTES:**

1. In view of the continuing global outbreak of the Covid-19 pandemic, social distancing is a norm to be followed. Accordingly, the Ministry of Corporate Affairs (hereinafter referred to as “MCA”) vide its General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021, General Circular No. 19/2021 dated 8<sup>th</sup> December, 2021, General Circular No. 21/2021 dated 14<sup>th</sup> December, 2021 and General Circular 02/2022 dated 5<sup>th</sup> May, 2022, (collectively referred to as “MCA Circulars”), permitted the holding of the Annual General Meeting (hereinafter referred to as “AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (hereinafter referred to as “Act”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The proceedings of AGM shall be deemed to be conducted at the Registered Office of the Company situated at 309, A to Z Industrial Estate Ganpatrao Kadam Marg Lower Parel, Mumbai Delisle Road Mumbai Mumbai - 400013.
2. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, SEBI Circular dated 15<sup>th</sup> January, 2021, SEBI Circular dated 13<sup>th</sup> May, 2022 (hereinafter referred to as “SEBI Circulars”), this Notice along with the Annual Report 2022-23, is being sent only through electronic mode to those Members whose email addresses are registered with the Company / depositories.
3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC / OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
4. The Members can join the AGM through VC / OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC / OAVM shall be made available to at least 1000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Ms. Dhruiti Satia, Practicing Company Secretary, (COP No.: 21346 & ACS No.: 45096), has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.



## COMPUAGE INFOCOM LTD

7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body resolution / authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-Voting. The said resolution / authorization shall be sent to the Scrutinizer by email through its registered email address to [dhruuti@dsatia.in](mailto:dhruuti@dsatia.in) with a copy marked to [info@compuageindia.com](mailto:info@compuageindia.com).
8. Details under Regulation 36 of the Listing Regulations and Secretarial Standard–2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Director seeking re-appointment at the AGM, form integral part of this Notice.
9. Members may note that this Notice and the Annual Report 2022-23 will also be available on the Company's website at [www.compuageindia.com](http://www.compuageindia.com), websites of the stock exchanges, i.e., BSE Limited (hereinafter referred to as "BSE") and National Stock Exchange of India Limited (hereinafter referred to as "NSE") at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
10. As per Regulation 40 of the Listing Regulations, as amended, requests for transfer, transmission and transposition of securities of listed companies shall be effected only in dematerialized form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) (hereinafter referred to as "RTA / MI IPL") at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) for assistance in this regard.
11. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 4 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 4 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
12. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
13. Members are requested to :-
  - i. Intimate to the RTA of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the DPs and not to the Company / RTA.
  - ii. Quote Registered Folio no. or DP ID / Client ID no. in all their correspondence.
  - iii. Approach the RTA of the Company for consolidation of folios.
  - iv. Avail Nomination facility by filing in form SH-13 in accordance with Section 72 of the Act and forward the same to the RTA, if not done. (Applicable for those holding shares in physical form).
  - v. Send all share transfer lodgments (physical mode) / correspondence to the RTA of the Company.

### RTA DETAILS:

MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)  
C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400 083.

**309, A to Z Industrial Estate,  
Ganpatrao Kadam Marg, Lower  
Parel, Delisle Road, Mumbai-  
400013, India.  
Ph.: +91-22-4748 5603  
[info@compuageindia.com](mailto:info@compuageindia.com)  
[www.compuageindia.com](http://www.compuageindia.com)  
CIN: L99999MH1999PLC135914**

## COMPUAGE INFOCOM LTD

14. The Company's shares are listed on BSE and NSE and applicable listing fees have been paid upto the date.
15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio number and enclosing the self-attested supporting document. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
17. Any person, who acquires shares of the Company and becomes its Member after the sending of this Notice and holds shares as on the cut-off date for e-Voting, i.e., Monday, 03<sup>rd</sup> March, 2025, may obtain the Login ID and Password by sending a request to [enotices@in.mpms.muvg.com](mailto:enotices@in.mpms.muvg.com). However, if he / she is already registered with MIPL for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.
18. Voting through Electronic means:

In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the Listing Regulations, the Company is pleased to provide the Members with facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system during the AGM will be provided by MIPL.

- I. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- II. The remote e-Voting period commences on Thursday, 06<sup>th</sup> March, 2025, 9:00 Hours IST and ends on Sunday, 09<sup>th</sup> March, 2025, 05.00 PM. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date for e-Voting, i.e., Monday, 03<sup>rd</sup> March, 2025, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by MIPL for voting thereafter.
- III. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before the AGM and e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the Monday, 03<sup>rd</sup> March, 2025. Subject to receipt of requisite number of votes, the resolutions passed by remote e-Voting are deemed to have been passed as if they have been passed at the AGM, i.e., Monday, 10<sup>th</sup> March, 2025.
- IV. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e., Monday, 03<sup>rd</sup> March, 2025, shall be entitled to avail the facility of remote e-Voting before the AGM as well as e-Voting during the AGM. Any person holding shares in physical form and non-individual Shareholders, who acquires shares of the Company and becomes a Member of the Company after the dispatch of this Notice and holding shares as on the cut-off date, i.e., Monday, 03<sup>rd</sup> March, 2025, may obtain the User ID and password by duly following the procedure as mentioned.
- V. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting

## COMPUAGE INFOCOM LTD

is to be held, allow voting, by use of e-Voting system for all those Members who are present during the AGM through VC / OAVM but have not cast their votes by availing the remote e-Voting facility. The e-Voting module during the AGM shall be disabled by MIPL for voting 30 minutes after the conclusion of the AGM.

19. Any person, who acquires shares of the Company and becomes its Member after the sending of this Notice and holds shares as on the cut-off date for e-Voting, i.e., Monday, 03<sup>rd</sup> March, 2025, may obtain the Login ID and Password by sending a request to [enotices@in.mpms.mufg.com](mailto:enotices@in.mpms.mufg.com). However, if he / she is already registered with MIPL for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.

### REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

#### **Individual Shareholders holding securities in demat mode with NSDL**

##### **METHOD 1 - Individual Shareholders registered with NSDL IDeAS facility**

###### **Shareholders who have registered for NSDL IDeAS facility:**

- Visit URL: <https://eservices.nsdl.com> and click on “Beneficial Owner” icon under “Login”.
- Enter User ID and Password. Click on “Login”
- After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
- Click on “MUG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**OR**

###### **Shareholders who have not registered for NSDL IDeAS facility:**

- To register, visit URL: <https://eservices.nsdl.com> and select “Register Online for IDeAS Portal” or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Proceed with updating the required fields.
- Post successful registration, user will be provided with Login ID and password.
- After successful login, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
- Click on “MUG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

##### **METHOD 2 - Individual Shareholders directly visiting the e-voting website of NSDL**

**309, A to Z Industrial Estate,  
Ganpatrao Kadam Marg, Lower  
Parel, Delisle Road, Mumbai-  
400013, India.  
Ph.: +91-22-4748 5603  
[info@compuageindia.com](mailto:info@compuageindia.com)  
[www.compuageindia.com](http://www.compuageindia.com)  
CIN: L99999MH1999PLC135914**

- a) Visit URL: <https://www.evoting.nsdl.com>
- b) Click on the “Login” tab available under ‘Shareholder/Member’ section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
  - a) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
  - b) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

### **Individual Shareholders holding securities in demat mode with CDSL**

#### **METHOD 1 – Individual Shareholders registered with CDSL Easi/ Easiest facility**

##### **Shareholders who have registered/ opted for CDSL Easi/ Easiest facility:**

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or [www.cdslindia.com](http://www.cdslindia.com).
- b) Click on New System Myeasi Tab
- c) Login with existing my easi username and password
- d) After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.
- e) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**OR**

##### **Shareholders who have not registered for CDSL Easi/ Easiest facility:**

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided username and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

#### **METHOD 2 - Individual Shareholders directly visiting the e-voting website of CDSL**

- a) Visit URL: <https://www.cdslindia.com>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

### **Individual Shareholders holding securities in demat mode with Depository Participant**

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www.compuageindia.com  
CIN: L99999MH1999PLC135914**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, user shall navigate through “e-voting” option.
- c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- d) After successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode**

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for InstaVote as under:

- a) Visit URL: <https://instavote.linkintime.co.in>

**Shareholders who have not registered for INSTAVOTE facility:**

- b) Click on “**Sign Up**” under ‘SHARE HOLDER’ tab and register with your following details:

**A. User ID:**

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

**B. PAN:**

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:**

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:**

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*\*Shareholders holding shares in **NSDL form**, shall provide ‘D’ above*

*\*\*Shareholders holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*

- ❖ Set the password of your choice  
(The password should contain minimum 8 characters, at least one special Character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- ❖ Enter Image Verification (CAPTCHA) Code
- ❖ Click “Submit” (You have now registered on InstaVote).

**Shareholders who have registered for INSTAVOTE facility:**

**309, A to Z Industrial Estate,  
Ganpatrao Kadam Marg, Lower  
Parel, Delisle Road, Mumbai-  
400013, India.  
Ph.: +91-22-4748 5603  
info@compuageindia.com  
www.compuageindia.com  
CIN: L99999MH1999PLC135914**



- c) Click on “**Login**” under ‘SHARE HOLDER’ tab.
- A. User ID: Enter your User ID
  - B. Password: Enter your Password
  - C. Enter Image Verification (CAPTCHA) Code
  - D. Click “Submit”
- d) Cast your vote electronically:
- A. After successful login, you will be able to see the “Notification for e-voting”.
  - B. Select ‘View’ icon.
  - C. E-voting page will appear.
  - D. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
  - E. After selecting the desired option i.e. Favour / Against, click on ‘Submit’.  
A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

### **Guidelines for Institutional shareholders (“Custodian / Corporate Body/ Mutual Fund”)**

#### **STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration**

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on “**Sign Up**” under “Custodian / Corporate Body/ Mutual Fund”
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person’s email ID. (You have now registered on InstaVote)

#### **STEP 2 – Investor Mapping**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
  - b) Click on “**Investor Mapping**” tab under the Menu Section
  - c) Map the Investor with the following details:
    - A. ‘Investor ID’ –
      - i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID  
*i.e., IN00000012345678*
      - ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.
    - B. ‘Investor’s Name - Enter Investor’s Name as updated with DP.
    - C. ‘Investor PAN’ - Enter your 10-digit PAN.
    - D. ‘Power of Attorney’ - Attach Board resolution or Power of Attorney.
- \*File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.*
- E. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the “Report Section”.

**STEP 3 – Voting through remote e-voting**

The corporate shareholder can vote by two methods, during the remote e-voting period.

**METHOD 1 - VOTES ENTRY**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on “**Votes Entry**” tab under the Menu section.
- c) Enter the “**Event No.**” for which you want to cast vote.  
Event No. can be viewed on the home page of InstaVote under “On-going Events”.
- d) Enter “**16-digit Demat Account No.**” for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
- f) After selecting the desired option i.e. Favour / Against, click on ‘Submit’.  
A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

**OR**

**METHOD 2 - VOTES UPLOAD**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will be able to see the “Notification for e-voting”.
- c) Select “**View**” icon for “**Company’s Name / Event number**”.
- d) E-voting page will appear.
- e) Download sample vote file from “**Download Sample Vote File**” tab.
- f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under “**Upload Vote File**” option.
- g) Click on ‘Submit’. ‘Data uploaded successfully’ message will be displayed.  
(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**Helpdesk:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at [enotices@in.mpms.muvg.com](mailto:enotices@in.mpms.muvg.com) or contact on: - Tel: 022 – 4918 6000.

**Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
------------	------------------

Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**Forgot Password:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on “**Login**” under ‘SHARE HOLDER’ tab.
- Click “**forgot password?**”
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

*In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%\*), at least one numeral, at least one alphabet and at least one capital letter.*

**User ID:**

*NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.*

*CDSL demat account – User ID is 16 Digit Beneficiary ID.*

*Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.*

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Click “**forgot password?**”
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

*In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%\*), at least one numeral, at least one alphabet and at least one capital letter.*

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- ❖ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.





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- ❖ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ❖ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

### LOGIN METHOD FOR SHAREHOLDERS TO ATTEND THE GENERAL MEETING THROUGH INSTAMEET:

- e) Visit URL: <https://instameet.in.mpms.mufg.com> & click on “Login”.
- f) Select the “Company” and ‘Event Date’ and register with your following details:

**E. Demat Account No. or Folio No:**

Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.

Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – shall provide Folio Number.

**F. PAN:**

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**G. Mobile No:** Enter your Mobile No.

**H. Email ID:** Enter your email Id as recorded with your DP/ Company.

- g) Click “Go to Meeting”  
You are now registered for InstaMeet, and your attendance is marked for the meeting.

### **Instructions for shareholders to Speak during the General Meeting through InstaMeet:**

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive “speaking serial number” once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other shareholder who has not registered as “Speaker Shareholder” may still ask questions to the panellist via active chat-board during the meeting.

*\*Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.*

### **Instructions for Shareholders to Vote during the General Meeting through InstaMeet:**

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET

**309, A to Z Industrial Estate,  
Ganpatrao Kadam Marg, Lower  
Parel, Delisle Road, Mumbai-  
400013, India.  
Ph.: +91-22-4748 5603  
info@compuageindia.com  
www.compuageindia.com  
CIN: L99999MH1999PLC135914**

## COMPUAGE INFOCOM LTD

- c) Click on 'Submit'.
- d) After successful login, you will see “Resolution Description” and against the same the option “Favour/Against” for voting.
- e) Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- f) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

### **Note:**

*Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.*

*Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.*

*Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.*

*Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.*

*Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.*

### **Helpdesk:**

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at [instameet@in.mpms.mufg.com](mailto:instameet@in.mpms.mufg.com) or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

### **GENERAL GUIDELINES FOR SHAREHOLDERS:**

- I. A Member may participate in the AGM even after exercising his right to vote through remote e-Voting but shall not be allowed to vote again at the AGM.
- II. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Monday, 03<sup>rd</sup> March, 2025., only shall be entitled to avail the facility of remote e-Voting as well as e-Voting at the AGM.
- III. During the voting period, Shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- IV. Shareholders holding multiple folios / demat account shall choose the voting process separately for each of the folios / demat account.
- V. In case the Shareholders have any queries or issues regarding e-Voting, please refer the Frequently Asked Questions (FAQs) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to

**309, A to Z Industrial Estate,  
Ganpatrao Kadam Marg, Lower  
Parel, Delisle Road, Mumbai-  
400013, India.  
Ph.: +91-22-4748 5603  
info@compuageindia.com  
www.compuageindia.com  
CIN: L99999MH1999PLC135914**

## COMPUAGE INFOCOM LTD

[enotices@in.mpms.mufg.com](mailto:enotices@in.mpms.mufg.com) or Call us :- Tel : +91 (022) – 4918 6000.

- VI. The Chairman shall, during the AGM / at the end of discussion / after every business item for the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by way of e- Voting system for the purpose of conducting a poll for all those Members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- VII. The Scrutinizer will submit his report to the Chairman or to any other person authorized by the Chairman after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes casted through remote e-Voting), not later than 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to BSE, NSE and RTA and will also be displayed on the Company's website at [www.compuageindia.com](http://www.compuageindia.com) and on the RTA's website at <https://instavote.linkintime.co.in>.
- VIII. The voting results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.compuageindia.com](http://www.compuageindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges.

**DIRECTORS' REPORT**

To,  
Dear Members,

Your Directors hereby present the 24<sup>th</sup> Annual Report on the business and operations of your Company along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2023.

An application for Corporate Insolvency Resolution Process of Compuage Infocom Limited was filed by Plus Plus Unified Engagement Services Private Limited under Section 7 of the Insolvency and Bankruptcy Code, 2016, ("Code") being CP No. CP(IB)329/MB/2023. The said application was admitted by the Hon'ble NCLT, Mumbai Bench vide Order dated 02.11.2023 ("CIRP Order") and Mr. Arun Kapoor was appointed as the Interim Resolution Professional (IRP). Further, the Hon'ble NCLT, Mumbai Bench has passed an order dated 29.04.2024 (order received on 09.05.2024), to replace IRP Mr. Arun Kapoor (IBBI/IPA-003/IP-N00030/2017-18/10230) and has appointed Mr. Gajesh Labhchand Jain (Registration no. IBBI/IPA-001/IP-P-01697/2019-2020/12588) as new Resolution Professional (RP) under the Code in matter of CIRP of M/s Compuage Infocom Limited

The powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the Company are vested with the IRP/ RP in accordance with the provisions of Section 17 and 23 of the Insolvency Code read with Regulation 15(2A) & (2B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**1. FINANCIAL HIGHLIGHTS:**

The highlights of the Financial Results are as tabulated below:

(Rs. in Lakh)

Particulars	Standalone		Consolidated	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Revenue from Operations & Other Income	3,74,551.18	4,22,395.14	3,74,551.18	4,22,395.14
<b>Total Expenses</b>	3,94,673.33	4,18,728.93	3,94,676.33	4,18,731.06
Finance Costs	7379.13	7442.99	7379.13	7442.99
Depreciation	307.71	340.69	307.71	340.69
Profit before exceptional items and tax	(20,122.15)	-	(20,125.15)	3664.08
<b>Profit before Tax</b>	<b>(20,122.15)</b>	<b>3666.21</b>	<b>(20,125.15)</b>	<b>3,664.08</b>
Less: Tax Expense	(141.09)	989.23	(141.09)	989.23
<b>Profit after Tax Provision</b>	<b>(19,981.06)</b>	<b>2676.98</b>	<b>(19,984.06)</b>	<b>2,674.85</b>
Less: Other Comprehensive Income	(65.14)	(20.61)	(65.14)	(2.10)
<b>Total Comprehensive Income for the year</b>	<b>(20,046.20)</b>	<b>2674.88</b>	<b>(20,049.20)</b>	<b>2,672.17</b>
EPS (Basic)	(28.16)	4.12	(28.16)	4.11
EPS (Diluted)	(28.16)	4.12	(28.16)	4.11

**2. BUSINESS PERFORMANCE:**

**Standalone:**

During this year, your Company has achieved a turnover of Rs. 3,73,948.47 Lakhs as against Rs. 4,20,750.18 Lakhs in the previous year. Your Company has incurred loss of Rs. 19,981.06 Lakhs as compared to last year profit of Rs. 2676.98 Lakhs.

**Consolidated:**

During this year, your Company has achieved a turnover of Rs. 3,73,948.47 Lakhs as against Rs. 4,20,750.18 Lakhs in the previous year. Your Company has incurred loss of Rs. 19,984.06 Lakhs as compared to last year's profit of Rs. 2674.85 Lakhs.

**3. DIVIDEND:**

In view of the net loss incurred by the Company for the financial year, no dividend is recommended.

**4. TRANSFER TO RESERVES:**

In view of the losses incurred by the Company, no amount has been transferred to reserves.

**5. MATERIAL CHANGES POST CLOSURE OF FINANCIAL YEAR**

An application for Corporate Insolvency Resolution Process of Compuage Infocom Limited was filed by Plus Plus Unified Engagement Services Private Limited under Section 7 of the Insolvency and Bankruptcy Code, 2016, ("Code") being CP No. CP(IB)329/MB/2023. The said application was admitted by the Hon'ble NCLT, Mumbai Bench vide Order dated 02.11.2023 ("CIRP Order") and Mr. Arun Kapoor was appointed as the Interim Resolution Professional (IRP). Further, the Hon'ble NCLT, Mumbai Bench has passed an order dated 29.04.2024 (order received on 09.05.2024), to replace IRP Mr. Arun Kapoor (IBBI/IPA-003/IP-N00030/2017-18/10230) and has appointed Mr. Gajesh Labhchand Jain (Registration no. IBBI/IPA-001/IP-P-01697/2019-2020/12588) as new Resolution Professional (RP) under the Code in matter of CIRP of M/s Compuage Infocom Limited.

**6. SUBSIDIARY COMPANY:**

**Compuage Infocom (S) Pte. Ltd.:**

Compuage Infocom (S) Pte. Ltd. is a wholly-owned subsidiary of the Company. There was no business activity in the Subsidiary Company during the year as the Company has transferred its business to its Singapore Branch.

In accordance with Section 129(3) of the Companies Act, 2013 (hereinafter referred to as "Act"), a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is appended as **Annexure "A"** to the Directors' Report.

Further, no new subsidiary was acquired nor any subsidiary ceased to exist during the year under review.

**7. CONSOLIDATED FINANCIAL STATEMENTS:**

The Consolidated Financial Statements of the Company and its subsidiary, prepared in accordance with the Act and applicable Accounting Standards along with all relevant documents and the Auditors' Report, form part of the Annual Report.

Pursuant to Section 136 of the Act, the financial statements of the subsidiary are kept open for inspection of the Shareholders at the Registered Office of the Company.

## COMPUAGE INFOCOM LTD

### 8. SHARE CAPITAL:

The Company has allotted 2,07,92,258 Equity Shares of Rs. 2/- each at a price of Rs. 20 each (including a premium of Rs. 18/- per equity share) on a rights basis to the eligible equity shareholders of the company as on 08th December, 2022.

Hence, Company's paid up capital is increased from 6,49,75,806 Equity shares of Rs. 2/- each to 8,57,68,064 Equity shares of Rs. 2/- each during the under review.

Capital Structure of the Company during the under review as below:

a) Authorized Capital: The Authorized share capital of the Company as on March 31, 2023 stood at ` 3030.07 lakhs comprising of 9,62,70,000 Equity shares of Rs. 2/- each, 46,65,600 Preference shares of Rs.0.10 each and 1,10,00,000 Preference shares of Rs. 10/- each.

[b] Paid-up Capital: The paid-up share capital of the Company as on March 31, 2023 stood at 1715.36 lakhs comprising of 8,57,68,064 shares of Rs. 2/- each

### 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### **Directors:**

The Hon'ble NCLT vide order dated 02 November, 2023 had initiated the CIRP Proceedings against the Company and pursuant to Section 17 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers are vested with the Resolution Professional, Mr. Gajesh Labhchand Jain.

The Board of Directors of the Company as on 31st March, 2023 comprised of:

- (i) Two Executive Directors- Mr. Atul H. Mehta (DIN: 00716869) (Chairman and Managing Director) and Mr. Bhavesh H. Mehta (DIN: 00740861) (Whole-Time Director) and Chief Financial Officer and Chief Operating officer.
- (ii) Non-Executive Independent Director- Mr. Virendra G. Bhatt (DIN: 02343351)

#### **Resignation/ Cessation :**

During year the Review FY 2022-23, Mr. Ganesh S. Ganesh (DIN: 00010877) resigned from the post of Non-Executive Independent Directors w.e.f. 14<sup>th</sup> March, 2023. Further, Ms. Hetal Kudecha (DIN: 09148116), Mr. Vijay Agarwal (DIN: 00058548), resigned from the post of Non-Executive Independent Directors with effect from 29<sup>th</sup> March, 2023.

Further, Mr. Virendra G. Bhatt (DIN: 02343351), resigned from the post of Non-Executive Independent Director w.e.f. 02<sup>nd</sup> May, 2023.

Further Mr. Santosh Laxman More (DIN: 10135133) was appointed as an Independent Additional Director w.e.f. 28<sup>th</sup> April, 2023. However, he resigned from the post of Independent Additional Director w.e.f. 14<sup>th</sup> August, 2023.

Thereafter, Mr. Santosh Laxman More (DIN: 10135133) was appointed as Independent Additional Director w.e.f. 26<sup>th</sup> October, 2023 and he resigned from the post of Independent Additional Director w.e.f. 02<sup>nd</sup> November, 2023.

#### **Key Managerial Personnel:**

Pursuant to the provisions of Section 203 of the Act, the following persons are the Key Managerial Personnel of the Company as on date 31<sup>st</sup> March, 2023:

**309, A to Z Industrial Estate,  
Ganpatrao Kadam Marg, Lower  
Parel, Delisle Road, Mumbai-  
400013, India.  
Ph.: +91-22-4748 5603  
info@compuageindia.com  
www.compuageindia.com  
CIN: L99999MH1999PLC135914**



## COMPUAGE INFOCOM LTD

- Mr. Atul H. Mehta – Managing Director
- Mr. Bhavesh H. Mehta – Whole-Time Director

Mr. Sunil Mehta resigned from the position of Chief Financial Officer with effect from 28<sup>th</sup> February, 2022 due to prolonged health issues. Thereafter, Mr. Bhavesh Mehta is appointed as Chief Financial Officer of the company with effect from 26<sup>th</sup> August, 2022 during the year under review.

Further, Ms. Hasti Pala resigned from the position of Company Secretary with effect from 30<sup>th</sup> March, 2023 during the year under review.

### **10. BOARD EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, Board, Committees and Individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**Listing Regulations**”).

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, roles and responsibilities, monitoring of programs, execution and performance of duties and obligations, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, comprehensiveness of the discussions, effectiveness of Committee’s recommendation for the decision making of the Board, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of criteria such as the contribution of the Individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, knowledge acquired with regard to the Company’s business, understanding of industry and global trends, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The outcome of Board and Directors’ evaluation showed positive ratings in terms of level of commitment and engagement by all the Directors.

### **11. BOARD MEETINGS:**

The Board met 10 times during this financial year, the details of which are given in the Corporate Governance Report appended as **Annexure “B”** to the Directors’ Report. The intervening gap between the Meetings was within the period prescribed under the Act and Regulation 17 of the Listing Regulations.

### **12. DECLARATION BY INDEPENDENT DIRECTORS:**

All the Independent Directors of the Company have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Act and Regulation 16(b) of the Listing Regulations.

### **13. CORPORATE SOCIAL RESPONSIBILITY:**

In terms of the provisions of Section 135 of the Act read with Companies [Corporate Social Responsibility] Rules, 2014, as amended from time to time, the Board of Directors has constituted a Corporate Social Responsibility

## COMPUAGE INFOCOM LTD

[“CSR”] Committee under the Chairmanship of Mr. Ganesh S. Ganesh, Non Executive Independent Director. The other members of the Committee are Mr. Vijay Agarwal, Non-Executive Independent Director and Mr. Bhavesh H. Mehta, Whole-Time Director. Your Company also has in place a CSR policy and the same is available on your Company’s website at [www.compuageindia.com](http://www.compuageindia.com). During the year under review, the Company was required to spend Rs. 67.77 Lakhs towards CSR initiatives. The CSR Committee has approved the activities to be undertaken for spending CSR towards promotion of healthcare. During the financial year 2022-23, the Company has spent the amount of Rs. 16.00 Lakhs towards CSR initiatives. The Company was unable to spend Rs. 51.77 Lakhs on CSR activities due to liquidity issue.

The Report on CSR activities as required under the Companies [Corporate Social Responsibility] Rules, 2014, as amended from time to time, is annexed as **Annexure-“C”** forming part of this Report

### 14. ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, copy of the Annual Return of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 is placed on the website of the Company at [www.compuageindia.com](http://www.compuageindia.com).

### 15. CORPORATE GOVERNANCE:

A separate report on Corporate Governance regarding compliance of the conditions of Corporate Governance as stipulated in Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchanges, are enclosed as appended as “**Annexure “B”**” forming part of this Report.

### 16. MANAGEMENT DISCUSSION AND ANALYSIS:

A report on Management Discussion and Analysis which includes details on the state of affairs of the Company as required under the Regulation 34(2)(e) of the Listing Regulations forms part of the Annual Report.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under the Act, read with the Companies (Accounts) Rules, 2014 is given hereunder:

#### A. Conservation of energy:

Your Company is primarily engaged in marketing and trading activities and has not consumed energy of any significant level and hence no additional investment is required to be made for reduction of energy consumption. However, the Company will continue with its efforts to conserve the energy.

#### B. Technology absorption:

The Company’s operations do not require significant absorption of technology.

#### C. Earnings And Outgo in Foreign Exchange:

(Rs. in Lakh)

Particulars	Standalone and Consolidated	
	Current Year (in Rs.)	Previous Year (in Rs.)
Foreign Exchange Earnings	0.00	0.00
Foreign Exchange Outgo	0.00	2.37

### 18. PREVENTION AND REDRESSAL OF SEXUAL HARRASSEMENT AT WORK PLACE:



## COMPUAGE INFOCOM LTD

The Company has a Policy on “Prevention of Sexual Harassment of Women at Work Place” and matters connected therewith or incidental thereto covering all the aspects as contained under the Sexual Harassment of Women at Work Place (Prohibition, Prevention and Redressal) Act, 2013. Your Directors state that during the year under review, no cases were filed pursuant to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

The Company has submitted an Annual Report to the District Women and Child Development Office stating that there were no complaints in the Company with respect to sexual harassment at workplace. The Company has an Internal Complaints Committee in place in accordance with the provisions under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

### **19. HUMAN CAPITAL**

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure “D”** and forms part of this Report.

Relations with employees remained to be cordial. Your Company had 599 employees as of 31st March 2023.

### **20. INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROLS:**

The Company has, in all material respects, an adequate framework for internal financial controls commensurate with the size, scale and complexity of the Company’s operations.

### **21. STATUTORY AUDITORS:**

In accordance with Section 139 of the Companies Act, 2013, the Members of the Company in its 23<sup>rd</sup> Annual General Meeting, held on 30<sup>th</sup> August, 2022 had appointed M/s. Bhogilal C. Shah & Co., Chartered Accountants, having Firm Registration No.101424W, as the Statutory Auditors of the Company to hold the office for a period of 5 (five) consecutive years from the conclusion of 23<sup>rd</sup> AGM till the conclusion of 28<sup>th</sup> AGM of the Company. The requirement for annual ratification of Auditor’s appointment at the AGM had been omitted pursuant to Companies (Amendment) Act, 2017 notified on 7<sup>th</sup> May, 2018. During the year, the Auditors’ had confirmed that they satisfy the independence criteria required under the Act.

Auditor’s Qualifications and Board responses:

Certain issues relating to Company’s income stream, inventories, trade receivable, doubtful debts etc. and its effect on the going concern aspects, this qualification has been self-explanatory.

### **22. SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed BNP & Associates, Company Secretaries, Firm Registration No. P2014MH037400, to conduct Secretarial Audit of the Company for the financial year 2022-23.

These is observation made by the Secretarial Auditor, in their report for the financial year ended 31<sup>st</sup> March, 2023 as under:

Auditor’s observation and Board responses:

As at the end of the period under review, three Independent Directors of the Company have resigned. As a result, as on 31<sup>st</sup> March, 2023, the composition of the Board of Directors the Company and its Committees thereof is

## COMPUAGE INFOCOM LTD

not as per Regulation 17 of SEBI (LODR), 2015 and Section 149 of the Companies Act, 2013. However, the Company has informed that they will be complying with the said requirement within the time limits as mentioned in the SEBI (LODR), 2015 and the Act.

The Secretarial Audit Report in form MR-3, for the financial year 2022-23, forms part of the Directors' Report, appended as **Annexure "E"**.

Further, the Annual Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2023, in relation to compliance of all applicable SEBI Regulations / circulars / guidelines issued thereunder., pursuant to requirement of Regulation 24A of the Listing Regulations was duly submitted to the stock exchanges and is available on the website of the Company at [www.compuageindia.com](http://www.compuageindia.com).

### **23. COST AUDIT:**

The provisions of Section 148 of the Act are not applicable to the Company and accordingly the Company is not required to maintain cost accounts and records for the financial year ended 31<sup>st</sup> March, 2023.

### **24. REPORTING OF FRAUDS BY AUDITORS:**

During the year under review, the Statutory Auditor, Secretarial Auditor and Internal Auditor have not reported any instances of frauds committed in the Company to the Audit Committee under Section 143(12) of the Act.

### **25. RELATED PARTY:**

During the year under review, all related party transactions were periodically placed before the Audit Committee and also before the Board of Directors of the Company. An omnibus approval from the Audit Committee is obtained for the related party transactions which are of a foreseeable and repetitive in nature. All the related party transactions were in the ordinary and normal course of business and at arms length basis.

In line with the provisions of the Act and the Listing Regulations, the Policy for determining RPT and their Materiality was suitably amended and approved by the Board which is placed on the website of the Company at [www.compuageindia.com](http://www.compuageindia.com).

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. There were no transactions of the Company with any person or entity belonging to the Promoter(s) / Promoter(s) Group which individually holds 10% or more shareholding in the Company.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) and applicable rules of the Act is set out in Form AOC-2, is appended to the Directors' Report as **Annexure "F"**.

### **26. LOANS, GUARANTEES AND INVESTMENTS:**

The particulars of loans, guarantees and investments under the provisions of Section 186 of the Act have been disclosed in Notes to the Financial Statements provided in this Annual Report.

### **27. UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT AND STATEMENT OF DEVIATIONS AND VARIATIONS:**

The Company has not raised any funds through preferential allotment or Qualified Institutional Placement during the financial year 2022-23.

**28. COMMITTEES OF THE BOARD:**

The Company has constituted various Committees of the Board as required under the Act and the SEBI Listing Regulations. For details like composition, number of meetings held, attendance of members, etc. of such Committees, please refer to the Corporate Governance Report appended as **Annexure “B”** to the Directors’ Report.

**29. FAMILIARIZATION PROGRAMME:**

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has imparted familiarization programmes for its Independent Directors with review of business strategy of the Company, industry trends and regulatory updates covering changes with respect to the Act and the Listing Regulations and other allied matters.

The Familiarization Programmes for Independent Directors aim to provide them an opportunity to familiarize themselves with the Company, its management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with senior management personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part.

The policy on Familiarization Programme for Independent Directors and Familiarization Programme details of Independent Directors undertaken by the Company have been disclosed on the website of the Company at [www.compuageindia.com](http://www.compuageindia.com).

**30. DIRECTORS’ RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(3)(c) and 134(5) of the Act , the Board of Directors, to the best of their knowledge and ability, confirm:

- i. That in preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii. That the Directors had selected such accounting policies and applied consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2023, and the profits of the Company for the year under review;
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the annual accounts for the year ended 31<sup>st</sup> March, 2023, have been prepared on a ‘Going Concern Basis’;
- v. That proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively;
- vi. That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

**31. INSURANCE AND RISK MANAGEMENT:**

## COMPUAGE INFOCOM LTD

Risk Management is integral to your Company's strategy and for the achievement of our long-term goals. The Company regularly identifies uncertainties and after assessing them, devises short and long term actions to mitigate any risk which could materially impact your Company's goals.

The risk assessment includes review of strategic risks at domestic and international level including sectoral developments, risks related to market competition, financial, geographical, political and reputational issues, environment, social and governance risks and cyber security risks. The Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

The Company has developed and implemented a Risk Management Policy, which is also hosted on the website of the Company at [www.compuageindia.com](http://www.compuageindia.com), which includes identification of elements of risk, if any, which in the opinion of the Audit Committee of the Company and the Board may threaten the existence of the Company.

### **32. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company promotes ethical behavior in all its business activities and in line with the best governance practices. For this purpose, a policy has been laid down through which Directors, employees and business associates can report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's Code of Conduct without fear of reprisal and have provision for direct access to the Chairman of the Audit Committee.

The Whistle-Blower Protection Policy aims to:

- Allow and encourage stakeholders to bring to the Management's notice, concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies.
- Ensure timely and consistent organizational response.
- Build and strengthen a culture of transparency and trust.
- Provide protection against victimization.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the website of the Company at [www.compuageindia.com](http://www.compuageindia.com).

### **33. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the year under review, there was no any application made by company under the Insolvency and Bankruptcy Code,

### **34. APPRECIATION:**

Your Directors are thankful to the Vendors, Customers, Bankers, Business Partners, Central and State Governments together with their departments and the local authorities, employees for their valuable support and co-operation.

The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

For and on behalf of the Board  
(suspended during CIRP)

**Compuage Infocom Limited,**

*309, A to Z Industrial Estate,  
Ganpatrao Kadam Marg, Lower  
Parel, Delisle Road, Mumbai-  
400013, India.  
Ph.: +91-22-4748 5603  
info@compuageindia.com  
www.compuageindia.com  
CIN: L99999MH1999PLC135914*



Speed  
Reliability  
Value Performance

**COMPUAGE INFOCOM LTD**

Sd/-

**Atul Mehta**

**DIN: 00716869**

Managing Director (Suspended Director)

**Bhavesh Mehta**

**DIN: 00740861**

Director (Suspended Director)

**Taken on Record by**

**Gajesh Jain**

Resolution Professional

**Reg. No.: IBBI/IPA-001/IP-P-01697/2019 -2020/12588**

**Date : 08<sup>th</sup> October, 2024**

**Place: Mumbai**

*309, A to Z Industrial Estate,  
Ganpatrao Kadam Marg, Lower  
Parel, Delisle Road, Mumbai-  
400013, India.  
Ph.: +91-22-4748 5603  
info@compuageindia.com  
www.compuageindia.com  
CIN: L99999MH1999PLC135914*

**Annexure A**

**FORM AOC-I**

**Statement containing salient features of the Financial Statements of Subsidiary  
(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts)  
Rules, 2014)**

**PART "A": SUBSIDIARIES**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Sl. No.	1
2.	Name of the Subsidiary	Compuage Infocom (S) Pte. Ltd.
3.	The date since when subsidiary was acquired	2009-2010
4.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Same as Parent Co. FY 2022-23
5.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD 1USD = 82.21 INR
6.	Share Capital	Rs.82.21 Lakhs
7.	Reserves and Surplus	Rs.46.61 Lakhs
8.	Total Assets	Rs. 129.07 Lakhs
9.	Total Liabilities	Rs. 129.07 Lakhs
10.	Investments	NIL
11.	Turnover	NIL
12.	Profit before taxation	Rs.(3.12) Lakhs
13.	Profit after taxation	Rs.(3.12) Lakhs
14.	Proposed Dividend	NIL
15.	Extent of shareholding (in %)	100

**Notes:**

- Names of subsidiaries which are yet to commence operations - NIL
- Names of subsidiaries which have been liquidated or sold during the year –NIL

**PART "B": ASSOCIATES AND JOINT VENTURES**

**(Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and  
Joint Ventures)**

Since the Company does not have any Associate Company or any Joint Venture, the said para is not applicable.

For and on behalf of the Board  
(suspended during CIRP)

**Compuage Infocom Limited,**

**Sd/-**

**Atul Mehta**

**DIN: 00716869**

Managing Director (Suspended Director)

**Bhavesh Mehta**  
**DIN: 00740861**  
Director (Suspended Director)

**Taken on Record by**  
**Gajesh Jain**  
Resolution Professional

**Reg. No.: IBBI/IPA-001/IP-P-01697/2019 -2020/12588**

Date : 08<sup>th</sup> October, 2024

Place: Mumbai

## Annexure B

### **CORPORATE GOVERNANCE REPORT**

The report on Corporate Governance in compliance with Regulation 34 read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**Listing Regulations**”) is as follows:

#### **1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

We believe that our Corporate Strategy needs to be dynamic, vibrant and responsive to the changing economic scenario and flexible enough to absorb environmental and fiscal fluctuations. Professionalism in management, transparency and sound business ethics helps in encouraging widespread participation from all stake holders.

#### **2. APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES**

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system.

The Corporate Governance structure at CIL is as follows:

##### **1. Board of Directors:**

The Company has been under the Corporate Insolvency Resolution Process (“CIRP”) under the provisions of the Insolvency and Bankruptcy Code, 2016 (“the Code”) vide order dated 2<sup>nd</sup> November 2023 passed by the National Company Law Tribunal (“NCLT”). The powers of the Board of Directors stand suspended as per Section 17 of the Code and such powers were being exercised by the Interim Resolution Professional (IRP) appointed by the NCLT by the said order under the provisions of the Code. As per Section 20 of the Code, the management and operations of the Company were being managed by the Interim Resolution Professional Mr. Arun Kapoor upon commencement of CIRP. Subsequently, vide order dated 29<sup>th</sup> April 2024 passed by NCLT, the IRP Mr. Arun Kapoor was replaced by Resolution Professional (RP) Mr. Gajesh Labhchand Jain who is now responsible for the management and operations of the Company.

All the directors and the Company Secretary of the company except two have resigned from their positions in the Company prior to commencement of the Corporate Insolvency Resolution Process (“CIRP”) on 2<sup>nd</sup> November 2023.

The Board of Directors of the Company as on 31st March, 2023 comprised of:

- (i) Two Executive Directors- Mr. Atul H. Mehta (DIN: 00716869) (Chairman and Managing Director) and Mr. Bhavesh H. Mehta (DIN: 00740861) (Whole-Time Director) and Chief Financial Officer and Chief Operating officer.
- (ii) Non-Executive Independent Director- Mr. Virendra G. Bhatt (DIN: 02343351)

However, as on date of this report, the Board comprised 2 (Two) Directors and Chief Operating officer, which includes 2 (Two) Executive Promoter Directors.

##### **2. Committees of the Board:**

The Committees of the Board play a significant role in the governance structure of the Company and had been constituted to transact / approve the matters as mandated by applicable rules and regulations, which concern the Company. The Board had four committees, viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders’ Relationship Committee.

As on 31st March, 2023 Board of Directors of Compuage Infocom Limited (“The Board”) the Board comprised of 3 (Three) Directors, which included 1 (One) Non-Executive Independent Directors and 2 (Two)



Executive Promoter Directors. However, as on date of this report, the Board comprised 2 (Two) Directors, which includes 2 (Two) Executive Promoter Directors.

### 3. BOARD OF DIRECTORS

The composition of the Board of Directors of your Company is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act, consisting of 2 (two) Executive Directors and 1 (four) Non-Executive Independent Directors as on March 31, 2023.

In terms of the requirements of the Listing Regulations, the Board has identified the following skills / expertise / competencies of the Directors as given below:

Skills/Expertise/Competence and their details	Mr. Atul H. Mehta	Mr. Bhavesh H. Mehta	Mr. Ganesh S. Ganesh*	Mr. Vijay Agarwal**	Mr. Virendra G. Bhatt***	Ms. Hetal Kudecha* ***
<b>Business Development</b> Planning and developing strategies that enable sustainable growth	✓	✓				
<b>Industry Experience</b> Experience and knowledge of the industry in which the organization operates, technical competencies resulting in knowledge of how to anticipate technological trends, generate innovation, and extend or create new business models	✓	✓				
<b>Sales and Marketing</b> Building brand awareness, identifying the business strengths, weaknesses, opportunities and threats and thereby enhancing overall enterprise reputation	✓	✓				
<b>Financial Management</b> Management of financial function of the Company resulting in proficiency in complex financial management, capital allocation and financial reporting processes and experience in actively supervising principal accounting and auditing and performing similar functions	✓	✓	✓	✓	✓	
<b>Leadership</b> Extending leadership	✓	✓				✓

experience in the organizations, strategic planning and risk management. Developing talent and driving change for long term growth						
<b>Business Judgement</b> Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems	✓	✓			✓	
<b>Human Resource Management</b> Developing strategies to manage human resources and achieve change.	✓	✓				✓

All the Directors took an active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business.

#### **Membership, Attendance and Other Directorships:**

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other Companies as on 31<sup>st</sup> March, 2022, are given below:

Name of Director	Designation	Number of Directorship in other Public Limited Companies	Number of Committee positions held in other Public Limited Companies		List of Directorship held in Other Listed Companies and Category of Directorship
			Members hip	Chairmans hip	
Mr. Atul H. Mehta (DIN: 00716869)	Promoter, Executive, Chairman and Managing Director	Nil	Nil	Nil	Nil
Mr. Bhavesh H. Mehta (DIN: 00740861)	Promoter, Executive and Whole-Time Director	Nil	Nil	Nil	Nil
Mr. Ganesh S. Ganesh (DIN: 00010877)*	Non-Executive Independent Director	Nil	Nil	Nil	Nil

Mr. Vijay Agarwal (DIN: 00058548)**	Non-Executive Independent Director	7	8	2	<ul style="list-style-type: none"> <li>• Themis Medicare Limited (Non-Executive Independent Director)</li> <li>• Gujarat Themis Biosyn Limited (Non-Executive Independent Director)</li> </ul>
Mr. Virendra G. Bhatt (DIN: 02343351)***	Non-Executive Independent Director	Nil	Nil	Nil	Nil
Ms. Hetal Kudecha (DIN: 09148116)****	Non-Executive Independent Director	Nil	Nil	Nil	Nil

\* Mr. Ganesh S. Ganesh resigned as Non-Executive Independent Director w.e.f.14.03.2023

\*\*Mr. Vijay Agarwal resigned as Non-Executive Independent Director w.e.f. 29.03.2023

\*\*\*Mr. Virendra G. Bhatt resigned as Non-Executive Independent Director w.e.f 02.05.2023

\*\*\*\*Ms. Hetal Kudecha resigned as Non-Executive Independent Director w.e.f 29.03.2023

#### Notes:

1. The directorship held by Directors as mentioned above, do not include directorships in CIL and of foreign companies, companies incorporated under Section 8 of the Act and private limited companies.
2. In accordance with the Listing Regulations, memberships / chairmanships of only Audit Committee and Stakeholders' Relationship Committee of all public limited companies have been considered.
3. As required by the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Listing Regulations, none of the Directors hold directorships in more than ten public limited companies or in seven equity listed entities; or hold Independent Directorship either in more than seven equity listed entities or in three equity listed entities (in case he / she serves as a Whole-time Director / Managing Director in any listed entity). Further, none of the Directors hold membership of Board Committees (Audit Committees / Stakeholders' Relationship Committee) in excess of ten and chairmanship of Board Committees as aforesaid in excess of five.
4. Due to resignation of all directors the composition of the Board of Directors the Company and its Committees thereof was not as per Regulation 17 of SEBI (LODR), 2015 and Section 149 of the Companies Act, 2013.
5. Except Mr. Atul H. Mehta, Chairman and Managing Director and Mr. Bhavesh H. Mehta, Whole-Time Director, who are related to each other as brothers, none of the other present Director is related to any other Director on the Board in terms of definition of 'relative' as per the Act (including any statutory modification(s) or re-enactment thereof for the time being in force).

#### BOARD MEETINGS

The Board plays a critical role in the strategic development of the Company. To enable itself to discharge its duties and responsibilities effectively and take informed decisions, the Board meets at regular intervals to discuss and decide on business strategies / policies including performance of the Company, business operations, employee relations, review the financial performance, etc., of the Company.

The Board Meetings were scheduled well in advance and notice and detailed agenda along with the relevant notes and other material information is circulated to the Directors well in advance to facilitate the Directors to plan their schedule. The Company adheres to the provisions of the Act read with the rules issued thereunder,

Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors and its Committees.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

In the financial year 2022-23, the Board met ten times. The interval between two consecutive Board Meetings was well within the maximum period mentioned under Section 173 of the Act and the Listing Regulations.

The details of 10 (Ten) Board Meetings were held and attendance of the Board of Directors at the same held during the financial year 2022-23 are as follows:

**16<sup>th</sup> May 2022, 28<sup>th</sup> July, 2022, 12<sup>th</sup> August, 2022, 26<sup>th</sup> August, 2022, 29<sup>th</sup> September, 2022, 07<sup>th</sup> November, 2022, 14<sup>th</sup> November, 2022, 08<sup>th</sup> December, 2022, 12<sup>th</sup> January, 2023, 23<sup>rd</sup> January, 2023.**

Name of the Directors	Relationship with other Directors	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM
Mr. Atul H. Mehta (DIN: 00716869)	Brother of Mr. Bhavesh H. Mehta	10	10	Yes
Mr. Bhavesh H. Mehta (DIN: 00740861)	Brother of Mr. Atul H. Mehta	10	10	Yes
Mr. Ganesh S. Ganesh (DIN: 00010877)*	#	10	9	Yes
Mr. Vijay Agarwal (DIN: 00058548)**	#	10	6	Yes
Mr. Virendra G. Bhatt (DIN: 02343351)***	#	10	6	Yes
Ms. Hetal Kudecha (DIN: 09148116) ****	#	10	7	Yes

\* Mr. Ganesh S. Ganesh resigned as Non-Executive Independent Director w.e.f.14.03.2023

\*\*Mr. Vijay Agarwal resigned as Non-Executive Independent Director w.e.f. 29.03.2023

\*\*\*Mr. Virendra G. Bhatt resigned as Non-Executive Independent Director w.e.f.02.05.2023

\*\*\*\*Ms. Hetal Kudecha resigned as Non-Executive Independent Director w.e.f.29.03.2023

# There is no relationship among any of the Directors

The Board has granted leave of absence to the Directors who were absent at the respective Board Meeting(s) at their request. The necessary quorum was present for all the meetings.

#### **Separate meeting of the Independent Directors:**

In compliance with Regulation 25(3) of the Listing Regulations and Schedule IV of the Act, separate meeting of the Independent Directors was held on 23<sup>rd</sup> January, 2023, for FY 2022-23, without the presence of Non-Independent Directors and in the said meeting, the Independent Directors, inter-alia, considered the following:

- i. Reviewed the performance of Non-Independent Directors and the Board as a whole.
- ii. Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- iii. Assessed the quality, quantity and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to perform their duties effectively and reasonably.

#### **Compliance Framework:**

The Company has a robust and effective framework for monitoring compliances with applicable laws within the organization and providing updates to senior management and the Board periodically. The Audit Committee and the Board, periodically review the status of the compliances with the applicable laws.

## Code of Conduct:

The Board has formulated a Code of Conduct (hereinafter referred to as “Code”) for the Board Members, Senior Management and all Employees of the Company. The Code provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders and to avoid unethical practices or behaviour. The Code is available on the website of the Company at [www.compuageindia.com](http://www.compuageindia.com).

## COMMITTEES OF THE BOARD

As per the provisions of the Act and the Listing Regulations, the Company has the following Committees:

- A. Audit Committee Nomination and Remuneration Committee
- B. Stakeholders’ Relationship Committee
- C. Corporate Social Responsibility Committee

### A. AUDIT COMMITTEE

#### a) **Composition of Audit Committee:**

The Audit Committee comprised of three Members viz. Mr. Ganesh S. Ganesh, Mr. Vijay Agarwal and Mr. Virendra G. Bhatt, Non-Executive Independent Directors of the Company, who were financially literate and bring in expertise in the fields of finance, accounting, development, strategy and management. All the members of the Committee were Independent Directors of the Company. Mr. Ganesh S. Ganesh chaired the Committee. Ms. Hasti Pala, Company Secretary, acted as a Secretary to the Committee.

The Committee is entrusted with the responsibility to monitor and supervise the Company’s internal controls and financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Chairman of the Committee regularly interacts with the Internal Auditors and Statutory Auditors of the Company to have independent discussions with them.

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the Listing Regulations. The Committee functions in accordance with its terms of reference which define its authority, responsibility and reporting function.

However, Mr. Ganesh S. Ganesh resigned as Non-Executive Independent Director w.e.f.14.03.2023. Mr. Vijay Agarwal resigned as Non-Executive Independent Director w.e.f. 29.03.2023. Mr. Virendra G. Bhatt resigned as Non-Executive Independent Director w.e.f 02.05.2023. Ms. Hetal Kudecha resigned as Non-Executive Independent Director w.e.f 29.03.2023.

#### b) **Terms of Reference of Audit Committee:**

- Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by them;
- Reviewing with the Management, the Annual Financial Statements and Auditors’ Report before submission to the Board for approval, with particular reference to:
  - Matters to be included in the Directors’ Responsibility Statement to be included in the Board’s Report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the Management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any Related Party Transactions.
  - Modified opinion(s) in the draft audit report, if any.
- Reviewing with the Management, the Quarterly Financial Statements before submission to the Board for approval;
- Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than

those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with Internal Auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- To allow Auditors and Key Managerial Personnel, a right to be heard while considering the Auditor’s Report;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore (One Hundred Crore) or 10% (Ten Percent) of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments, if applicable;
- Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- To mandatorily review the following information:
  - To define significant related party transactions.
  - Management discussion and analysis of financial condition and results of operations.
  - Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
  - Internal audit reports relating to internal control weaknesses.
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor.
  - Statement of deviations, if applicable:
    - ❖ Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
    - ❖ Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.

**c) The composition of the Committee along with the details of the Meetings held and attended by its Members during the financial year 2022-23 are given below:**

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Ganesh S. Ganesh*	Non-Executive Independent Director	Chairman	6	6
Mr. Vijay Agarwal**	Non-Executive Independent Director	Member	6	5
Mr. Virendra G. Bhatt***	Non-Executive Independent Director	Member	6	5

\* Mr. Ganesh S. Ganesh resigned as Non-Executive Independent Director w.e.f.14.03.2023

\*\*Mr. Vijay Agarwal resigned as Non-Executive Independent Director w.e.f. 29.03.2023

\*\*\*Mr. Virendra G. Bhatt resigned as Non-Executive Independent Director w.e.f 02.05.2023

In the financial year 2022-23, the Committee met six times. The interval between two Meetings was well within the maximum period mentioned under Regulation 18 of the Listing Regulations.

The dates on which the Committee Meetings were held are as follows:

**16<sup>th</sup> May, 2022, 28<sup>th</sup> July, 2022, 12<sup>th</sup> August, 2022, 26<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022, 23<sup>rd</sup> January, 2023.**

The necessary quorum was present for all the Meetings. The minutes of the Meetings of the Committee were placed before and noted by the Board.

## **B. NOMINATION AND REMUNERATION COMMITTEE**

### **a) Composition of Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee comprises of three Members, viz. Mr. Ganesh S. Ganesh, Mr. Vijay Agarwal and Mr. Virendra G. Bhatt, Non-Executive Independent Directors of the Company. Mr. Ganesh S. Ganesh chairs the Committee. Ms. Hasti Pala, Company Secretary, acted as a Secretary to the Committee.

The role of the Committee is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the expertise, qualifications, independence and experience. The Committee reviews and approves the annual salaries, performance commissions, service agreements and other employment conditions for Directors and Senior Management Personnel of the Company.

The composition, quorum, powers, role and scope are in accordance with Section 178 of the Act and the provisions of Regulation 19 of the Listing Regulations. The Committee functions in accordance with its terms of reference which define its authority, responsibility and reporting function.

### **b) Terms of Reference of Nomination and Remuneration Committee:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other Employees;
- To evaluate the balance of skills, knowledge and experience for appointment of an Independent Director and on the basis of such evaluation, to prepare a description of the role and capabilities required for an Independent Director.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- The Nomination and Remuneration Committee recommends to the Board, the compensation terms including periodic revision, performance bonus, incentives, commission, other services, perquisites and benefits payable to the Executive Directors;
- Framing and implementing on behalf of the Board and the shareholders, a credible and transparent policy on remuneration of Executive Directors;
- Considering, approving and recommending to the Board, any change in designation and increase in salary of the Executive Directors;
- Ensuring that the remuneration policy is good enough to attract, retain and motivate Directors;
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders;
- Deciding on whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- Such other matters, as the Board may, from time to time, request the Committee to examine and recommend / approve.

### **c) The composition of the Committee along with the details of the Meetings held and attended by its Members during the financial year 2022-23 are given below:**

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Chairman	6	6
Mr. Vijay Agarwal	Non-Executive Independent Director	Member	6	5
Mr. Virendra G. Bhatt**	Non-Executive Independent Director	Member	6	5

\* Mr. Ganesh S. Ganesh resigned as Non-Executive Independent Director w.e.f.14.03.2023

\*\*Mr. Vijay Agarwal resigned as Non-Executive Independent Director w.e.f. 29.03.2023

\*\*\*Mr. Virendra G. Bhatt resigned as Non-Executive Independent Director w.e.f 02.05.2023

In the financial year 2022-23, the Committee met six times.

The dates on which the Committee Meetings were held are as follows:

♦ 16<sup>th</sup> May, 2022, ♦ 28<sup>th</sup> July, 2022, ♦ 12<sup>th</sup> August, 2022, ♦ 26<sup>th</sup> August, 2022, ♦ 14<sup>th</sup> November, 2022, ♦ 23<sup>rd</sup> January, 2023.

The necessary quorum was present for all the Meetings. The minutes of the Meetings of the Committee were placed before and noted by the Board.

#### **Performance Evaluation:**

Pursuant to the provisions of the Act and the applicable provisions of the Listing Regulations, the annual performance evaluation was carried out for FY 2022-23 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders' Relationship and Corporate Social Responsibility Committees. A structured questionnaire covering various aspects such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as guidance / support to management outside Board / Committee meetings, degree of fulfillment of key responsibilities, the effectiveness of meetings, etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

#### **Remuneration Policy:**

Your Company has a well-defined Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees (hereinafter referred to as "**Policy**") which is in compliance with Section 178 of the Act and Regulation 19 read with Schedule II of the Listing Regulations.

The Policy is based on the fundamental rule of rewarding performances as against earmarked objectives. While deciding on remuneration for Directors, the Board and Nomination and Remuneration Committee consider the performance of the Company, current trend in the industry, the qualification of the appointee, his / her experience, past performance and other relevant factors. This information is used to review the Company's remuneration policies. The Policy aims at attracting and retaining high caliber talent and ensures equity, fairness and consistency in rewarding the employees. There is no pecuniary relationship or transaction other than sitting fees received by the Non-Executive Directors vis-à-vis the Company. The criteria for making payment to the Non-Executive Directors is according to the terms and conditions mentioned in the Policy which is placed on the website of the Company at [www.compuageindia.com](http://www.compuageindia.com).

The annual variable pay of senior managers is linked to the Company's performance in general and the performance of their functions / business units for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.

#### **Remuneration to Executive Directors:**

Name of Director	Position	Salary & Perquisite	Service Contract
Mr. Atul H. Mehta	Chairman and Managing	Rs.1,20,00,000/- p.a.	5 years w.e.f.



	Director		08.09.2020 to 07.09.2025
Mr. Bhavesh H. Mehta	Whole-Time Director	Rs.1,20,00,000/- p.a.	5 years w.e.f. 18.10.2020 to 17.10.2025

### **Remuneration to Non-Executive Directors:**

The remuneration paid to Non-Executive Independent Directors of the Company, Mr. Vijay Agarwal, Mr. Virendra G. Bhatt and Ms. Hetal Kudecha based on the recommendation of Nomination and Remuneration Committee. Whereas, Mr. Ganesh S. Ganesh, Non-Executive Independent Director of the Company has stated his unwillingness towards acceptance of sitting fees for the Board and Committee Meetings to be attended by him.

Name	Sitting Fees	Commission
Mr. Vijay Agarwal*	Rs. 6,00,000	0
Mr. Virendra G. Bhatt**	Rs. 6,00,000	0
Ms. Hetal Kudecha***	Rs. 7,00,000	0

\*Mr. Vijay Agarwal resigned as Non-Executive Independent Director w.e.f. 29.03.2023

\*\*Mr. Virendra G. Bhatt resigned as Non-Executive Independent Director w.e.f. 02.05.2023

\*\*\*Ms. Hetal Kudecha resigned as Non-Executive Independent Director w.e.f. 29.03.2023

None of the Non-Executive Independent Directors of the Company are in receipt of any commission or have been granted any stock options during the financial year 2022-23.

### **Shareholding of Non-Executive Directors:**

Details of the Equity Shares held by Non-Executive Directors as on 31<sup>st</sup> March, 2023, is as under:

Name of the Director	No. of Equity shares
Mr. Ganesh S. Ganesh*	1255
Mr. Vijay Agarwal**	Nil
Mr. Virendra G. Bhatt*	Nil
Ms. Hetal Kudecha***	Nil

\* Mr. Ganesh S. Ganesh resigned as Non-Executive Independent Director w.e.f. 14.03.2023

\*\*Mr. Vijay Agarwal resigned as Non-Executive Independent Director w.e.f. 29.03.2023

\*\*\*Mr. Virendra G. Bhatt resigned as Non-Executive Independent Director w.e.f. 02.05.2023

\*\*\*\*Ms. Hetal Kudecha resigned as Non-Executive Independent Director w.e.f. 29.03.2023

The Company does not have any Employee Stock Option Scheme. Additional details pertaining to remuneration is covered in the Directors' Report.

## **C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

### **a) Composition of Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee comprises of three members viz. Mr. Ganesh S. Ganesh, Mr. Virendra G. Bhatt, Non-Executive Independent Directors and Mr. Atul H. Mehta, Chairman and Managing Director of the Company. Mr. Ganesh S. Ganesh chairs the Committee. Ms. Hasti Pala, Company Secretary, was designated as the "Compliance Officer" who oversees the redressing of the investors' grievances and acts as a Secretary to the Committee.

The Committee looks into various aspects of interest of shareholders. The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances.

The composition, quorum, powers, role and scope are in accordance with Section 178 of the Act and the provisions of Regulation 20 of the Listing Regulations. The Committee functions in accordance with its terms of reference which define its authority, responsibility and reporting function.

**b) Terms of Reference of Stakeholders' Relationship Committee:**

- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates);
- Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company;
- The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**c) The Composition of the Committee along with the details of the Meetings held and attended by its Members during the financial year 2022-23 are given below:**

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Ganesh S. Ganesh*	Non-Executive Independent Director	Chairman	4	3
Mr. Atul H. Mehta	Chairman and Managing Director	Member	4	4
Mr. Virendra G. Bhatt**	Non-Executive Independent Director	Member	4	4

\* Mr. Ganesh S. Ganesh resigned as Non-Executive Independent Director w.e.f.14.03.2023

\*\*Mr. Virendra G. Bhatt resigned as Non-Executive Independent Director w.e.f.02.05.2023

- a) In the financial year 2022-23, the Stakeholders' Relationship Committee met four times.
- b) The dates on which the Committee Meetings were held are as follows:
  - ◆ 16<sup>th</sup> May, 2022 ◆ 12<sup>th</sup> August, 2022 ◆ 07<sup>th</sup> November, 2022 ◆ 23<sup>rd</sup> January, 2023
- c) The necessary quorum was present for all the Meetings. The minutes of the meetings of the Committee were placed before and noted by the Board.
- d) The Company has appointed Link Intime India Private Limited, Mumbai, to act as Registrar and Share Transfer Agent of the Company. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when the need arises.
- e) Details of investor complaints received and redressed during the year 2022-23 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

**D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

**a) Composition of Corporate Social Responsibility Committee:**

The Corporate Social Responsibility (hereinafter referred to as “CSR”) Committee comprises of three members viz. Mr. Ganesh S. Ganesh and Mr. Vijay Agarwal, Non-Executive Independent Directors, and Mr. Bhavesh H. Mehta, Whole-Time Director of the Company. Mr. Ganesh S. Ganesh chairs the Committee. Ms. Hasti Pala, Company Secretary, acted as a Secretary to the Committee. At the previous Annual General Meeting of the Company which was held on 15<sup>th</sup> September, 2021, Mr. Ganesh S. Ganesh, being the Chairman of the Committee, was present thereat, to answer the queries of the Shareholders.

The scope of functions of Committee is to formulate and recommend to the Board, an Annual Action Plan in pursuance of CSR Policy of the Company including CSR projects or programmes to be undertaken, manner of execution of such projects or programmes, modalities of utilization of funds and its implementation, monitoring and reporting mechanism for the projects undertaken by the Company.

The composition, quorum, powers, role and scope are in accordance with Section 135 read with Schedule VII of the Act. The Committee functions in accordance with its terms of reference which define its authority, responsibility and reporting function.

**b) Terms of Reference of CSR Committee:**

- Formulate and recommend to the Board, a CSR policy indicating the activities to be undertaken by the Company in areas or subject, as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time;
- Formulate and recommend to the Board, an Annual Action Plan and projects or programmes to be undertaken for the next financial year;
- Monitor the implementation of CSR Annual Action Plan of the Company from time to time.

**c) The Composition of the Committee along with the details of the Meetings held and attended by its Members during the financial year 2022-23 are given below:**

Name of Director	Category	Designation	No. of Meetings attended	
			Held	Attended
Mr. Ganesh S. Ganesh*	Non-Executive Independent Director	Chairman	5	5
Mr. Vijay Agarwal**	Non-Executive Independent Director	Member	5	4
Mr. Bhavesh H. Mehta	Whole-Time Director	Member	5	5

\* Mr. Ganesh S. Ganesh resigned as Non-Executive Independent Director w.e.f.14.03.2023

\*\*Mr. Vijay Agarwal resigned as Non-Executive Independent Director w.e.f. 29.03.2023

In the financial year 2022-23, the Committee met five times.

The dates on which the Committee Meetings were held are as follows:

♦ 16<sup>th</sup> May, 2022 ♦ 28<sup>th</sup> July, 2022 ♦ 12<sup>th</sup> August, 2022 ♦ 14<sup>th</sup> November, 2022 ♦ 23<sup>rd</sup> January, 2023

The necessary quorum was present for all the Meetings. The minutes of the meetings of the Committee were placed before and noted by the Board.

The CSR Policy of the Company along with CSR projects or programmes to be undertaken is displayed on the website of the Company at [www.compuageindia.com](http://www.compuageindia.com). A CSR Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities is appended to the Directors’ Report as Annexure B.

**Subsidiary Companies:**

Compuage Infocom (S) Pte. Ltd. is a wholly-owned subsidiary of the Company, incorporated as per laws of Singapore located at 50, Genting Lane, #04-02 Cideco Industrial Complex, Singapore (349558).

Your Company does not have any material non-listed Indian Subsidiary Company, whose turnover or net worth exceeds 10% (ten percent) of the consolidated turnover or networth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, in terms of Regulation 16(1)(c) of the Listing Regulations.

The Audit Committee reviews the financial statements including investments.

#### **4. GENERAL BODY MEETINGS**

##### **Annual General Meetings:**

1. Location, date and time of General Meetings held in last three years:

<b>Year</b>	<b>AGM/ EGM</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>	<b>Special Business</b>
2021- 22	23 <sup>rd</sup> AGM	30.08.20 22	11.30 a.m.	Video Conferencing / Other Audio Visual Means	<ol style="list-style-type: none"> <li>1. To appoint Branch Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution</li> <li>2. To increase the borrowing powers of the Company and to consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution</li> <li>3. To create mortgage / charge over the assets of the Company and to consider, and if thought fit, to pass with or without modification, the following resolution as Special Resolution</li> </ol>
2020- 21	22 <sup>nd</sup> AGM	15.09.20 21	11:30 a.m.	Video Conferencing / Other Audio Visual Means	<ol style="list-style-type: none"> <li>4. Appointment of Branch Auditors and fix their remuneration.</li> </ol>
2019- 20	21 <sup>st</sup> AGM	18.08.20 20	11:00 a.m.	Video Conferencing / Other Audio Visual Means	<ol style="list-style-type: none"> <li>1. Appointment of Branch Auditors and fix their remuneration;</li> <li>2. Re-appointment of Mr. Atul H. Mehta (DIN: 00716869) as a Managing Director;</li> <li>3. Re-appointment of Mr. Bhavesh H. Mehta (DIN: 00740861) as a Whole-Time Director;</li> <li>4. Appointment of Mr. Ajay H. Mehta (DIN: 00686327) as a Director.</li> </ol>

##### **Postal Ballot:**

During the year under review, there is no any resolutions were passed through Postal Ballot.

#### **5. MEANS OF COMMUNICATION**

The Company has usually published its financial results in Business Standard having nationwide circular and in Mumbai Lakshadeep have regional circular and submitted to the stock exchanges where the shares of the Company are listed, in accordance with the Listing Regulations except financial annual result for year ended March 31, 2023.

## **6. GENERAL SHAREHOLDERS INFORMATION**

### **1. Annual General Meeting:**

Date and Time: 10<sup>th</sup> March, 2025 at 11:00 Hours

### **2. Board Meeting for considering of Audited Accounts:** Not Applicable

### **3. Book Closure Date:** Not Applicable

### **4. Dividend Payment Date:** Not Applicable

### **5. Financial year:** 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

**6. Registered Office:** Compuage Infocom Limited  
309, A to Z Industrial Estate,  
Ganpatrao Kadam Marg,  
Lower Parel, Delisle Road,  
Mumbai-400013

### **7. Listed on Stock Exchange:**

At present, the Equity Shares of the Company are listed at:

➤ **BSE Limited**

**Address:** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

➤ **National Stock Exchange of India Limited**

**Address:** Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

### **8. Stock Exchanges Code:**

<b>ISIN No.:</b>	INE070C01037
<b>BSE Security Code:</b>	532456
<b>BSE Security ID:</b>	COMPUAGE
<b>NSE Symbol:</b>	COMPINFO

### **9. Corporate Identity Number (CIN):**

Our Corporate Identification Number, allotted by the Ministry of Corporate Affairs, Government of India is **L99999MH1999PLC135914** and our Registration Number is **135914**.

### **10. Payment of Depository Fees and Listing Fees:**

Annual Custody / Issuer fees for the year 2022-23 has been paid by the Company to NSDL and Central Depository Services (India) Limited (hereinafter referred to as “CDSL”).

Annual Listing Fees for the year 2022-23 has been paid by the Company to BSE and NSE.

### **11. Registrar and Transfer Agents:**

Name & Address : **Link Intime India Private Limited**  
C 101, 247 Park,  
L. B. S. Marg, Vikhroli (West),  
Mumbai: 400 083.

Phone No. : 022 49186200, 022 49186270

Fax No. : 022 49186060

E-Mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## 12. Share Transfer System and Registrar and Transfer Agent:

All share transfer and other communications regarding share certificates, change of address, dividends, etc., should be addressed to Registrar and Transfer Agents. Stakeholders Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. A summary of all the transfers / transmissions, etc., so approved by officers of the Company is placed at every Committee Meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice, yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the same with the Stock Exchanges.

## 13. (i) Distribution of Shareholding as on 31<sup>st</sup> March, 2023:

### Summary of Shareholdings as on 31<sup>st</sup> March, 2023:

Category	No. of shares	% of Shareholding
Promoters & Promoters Group	36577990	42.65
Clearing Member	64474	0.08
Foreign Portfolio Investor I	502710	0.59
Hindu Undivided Family	2565102	2.99
Investor Education and Protection Fund	907150	1.06
Non Resident Indians	1550389	1.81
Other Bodies Corporate	1371826	1.60
Other Public	42228423	49.22
<b>Total</b>	<b>85768064</b>	<b>100.00</b>

## 14. Financial Release Dates:

Quarter	Release Date (Tentative and subject to change)
1 <sup>st</sup> Quarter ending 30 <sup>th</sup> June	Mid of August
2 <sup>nd</sup> Quarter ending 30 <sup>th</sup> September	Mid of November
3 <sup>rd</sup> Quarter ending 31 <sup>st</sup> December	Mid of February
4 <sup>th</sup> Quarter ending 31 <sup>st</sup> March	End of May

## 15. Dematerialization of shares and liquidity and Lock-In of shares:

### (a) Dematerialization position as on 31<sup>st</sup> March, 2023:

Total No. of fully paid up Shares	No. of Listed Shares	Shares in Demat Form of the listed shares	Percentage %	Shares in Physical Form of the listed shares	Percentage %
8,57,68,064	8,57,68,064	8,56,34,125	99.84	1,33,939	0.16

Shares of the Company are traded in dematerialized form and are available for trading on both depositories in India, i.e., NSDL and CDSL.

Under the depository system, the International Securities Identification Number allotted to the Company's shares is **INE070C01037**.

## 16. Outstanding Global Depository Receipts / American Depository Receipts:

The Company has not issued any Global Depository Receipts (hereinafter referred to as “GDRs”) / American Depository Receipts (hereinafter referred to as “ADRs”), hence there are no outstanding GDRs / ADRs, etc., as at the end of 31<sup>st</sup> March, 2023.

**17. Address for Correspondence:**

The Shareholders may address their communication / suggestions / grievances / queries to the Registrar and Share Transfer Agents at the address mentioned above, or to the Company at:

**Compuage Infocom Limited**

309, A to Z Industrial Estate, Ganpatrao Kadam Marg,  
Lower Parel, Mumbai, Maharashtra, 400013  
Tel. No.: 91-22 31706903  
Fax: 022-67114445  
Email: [investors.relations@compuageindia.com](mailto:investors.relations@compuageindia.com)

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, payment of dividend on shares and any other query relating to shares of the Company:

**(i) Registrar & Share Transfer Agent:**

**Link Intime India Private Limited**

C 101, 247 Park, L.B.S Marg,  
Vikhroli West,  
Mumbai- 400 083.  
Tel: 022 49186200, 022 49186270 ;  
Fax: 022 49186060;  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

**(ii) Any query on Annual Report:**

Registered office of the Company as mentioned aforesaid.

**18. Details with respect to unclaimed suspense account and due dates for transfer of unclaimed dividend to IEPF Account:**

Pursuant to Regulation 39(4) read with Para F of Schedule V of the Listing Regulations, following are the details of the unclaimed shares of the Company, voting rights of which shall remain frozen till the rightful owner of such shares claims the shares.

Further the following dividends which remain unpaid and unclaimed for a period of seven years will be due for transfer to the Investor Education and Protection Fund (hereinafter referred to as “IEPF”) of the Central Government:

<b>Dividend</b>	<b>Date of declaration of Dividend</b>	<b>Due for transfer to IEPF</b>
2015-16 (Final)	24.09.2016	29.10.2023
2016-17(Final)	23.09.2017	25.10.2024
2017-18 (Final)	28.09.2018	02.11.2025
2018-19 (Final)	21.08.2019	23.09.2026
2019-20 (Final)	18.08.2020	18.09.2027
2020-21 (Final)	15.09.2021	20.10.2028
*2021-22 (Final)	*30.08.2022	*04.09.2029

\* Actual Date of transfer and Data not available as company is into CIRP.

## 19. Vigil Mechanism / Whistle Blower Policy:

The Company believes in the conduct of the affairs of the Company in a fair and transparent manner by adopting high standards of professionalism, honesty, integrity and ethical behavior. It has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. However, the company is in CIRP so no such committee members looking after the said mechanism. In the absence of committee, it is the duty of BOD to look after vigil mechanism however they are also suspended.

## 20. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal into commodities and hence commodity price risk does not arise. However, the Company has adequate systems and measures to manage foreign exchange risk.

## 21. Below are the details of the credit rating obtained during the financial year 2022-23

Facility	Rating
Long Term Bank Facilities	CARE BB; Stable (Double B; Outlook: Stable)
Short Term Bank Facilities	CARE A4 (A Four)

## 22. Compliance Certificate

The Compliance Certificate to the Board of Directors pursuant to Regulation 17 (8) of the SEBI LODR could not be obtained during the year 2022-23.

## 7. OTHER DISCLOSURES:

- a) Transactions with related parties are disclosed in notes to accounts annexed to the financial statements.
- b) There are no materially significant transactions with the related parties, viz., Promoters, Directors or the Management, or their relatives or subsidiaries that had potential conflict with the Company's interest. Required disclosure has been made in the Annual Report. The Policy for determining Related Party Transactions and their Materiality as approved by the Board is uploaded on the website of the Company at [www.compuageindia.com](http://www.compuageindia.com).
- c) The Company received a notice from NSE on June 30, 2023 for not filing financial results for the quarter ended March 31, 2023. Subsequently, the company went under CIRP following the NCLT order dated November 02, 2023.
- d) During the financial year ended 31<sup>st</sup> March, 2023, the Company did not have any material listed / unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations. The Company has framed the policy for determining material subsidiary and the same is disclosed on the website of the Company at [www.compuageindia.com](http://www.compuageindia.com).
- e) In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules thereunder. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.
- f) The Company has not raised any funds through preferential allotment or Qualified Institutional Placement during the financial year 2022-23.
- g) None of the Directors are interested in the Loans and Advances made by the Company or its Subsidiary Company.
- h) During the financial year 2022-23, there has been no such case where any recommendation of any Committee of the Board was not accepted by the Board.
- i) The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are disclosed in notes to accounts annexed to the financial statements.
- j) There was no complaint filed or pending as on end of the financial year 2022-23 in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- k) The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Regulations.



- l) Related Party Transactions with related parties as per the requirements of Accounting Standards 18 issued by The Institute of Chartered Accountants of India are disclosed in the relevant Schedule of Notes to Annual Accounts.
- m) The Compliance Certificate to the Board of Directors pursuant to Regulation 17 (8) of the SEBI LODR could not be obtained during the year 2022-23.
- n) A certificate from a Company Secretary in practice is appended to the Directors' Report as Annexure D that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

The Company has given disclosures specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

## Annexure C

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

#### 1. Brief Outline on Corporate Social Responsibility Policy of the Company:

Corporate Social Responsibility (hereinafter referred to as “CSR”) has been an integral part of your Company’s philosophy. Your Company is committed to its social responsibilities and takes initiatives to serve the society as a good corporate citizen.

The CSR Policy *inter-alia* provides the approach, direction and guiding principles given by the Board of Directors of the Company, taking into account the recommendations of the CSR Committee, for selection, implementation and monitoring of CSR activities as well as formulation of the Annual Action Plan. Your Company focuses its CSR activities in the areas of (i) Education and Skill Development (ii) Promotion of Health Care and Sanitation and (iii) Community Development. The CSR Policy sets out your Company’s commitment and approach towards CSR under Section 135 of the Companies Act, 2013 (hereinafter referred to as “Act”). The objective of this Policy is to promote a unified and strategic approach to CSR.

#### 2. Composition of the CSR Committee:

The Members of the CSR Committee as on 31<sup>st</sup> March, 2023, are as under:

Sr. No.	Name	Designation / Nature of Directorship	No. of Meetings of the CSR Committee held during the year	No. of Meetings of the CSR Committee attended during the year
1	Mr. Ganesh S. Ganesh	Chairman - Non-Executive Independent Director	5	5
2	Mr. Vijay Agarwal	Member - Non-Executive Independent Director	5	4
3	Mr. Bhavesh H. Mehta	Member - Whole-Time Director	5	5

#### 3. Web-link of composition of CSR Committee, CSR Policy and CSR Projects as approved by the Board: [www.compuageindia.com](http://www.compuageindia.com)

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.: Not Applicable

5. (a) Average net profit of the company as per section 135(5): Rs. 3440.64 Lakhs

(b) Two percent of average net profit of the company as per section 135(5): Rs. 68.81 Lakhs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NA

(d) Amount required to be set off for the financial year: Rs. 1.04 Lakhs

(e) Total CSR obligation for the financial year ((b)+(c)-(d)): Rs. 67.77 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).- Rs. 16 Lakhs

**Details of CSR amount spent against other than ongoing projects for the financial year:**

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
-	-	-	-	-	-	-	-	-	-

(b) Amount spent in Administrative Overheads.: NIL

(c) Amount spent on Impact Assessment, if applicable. : NIL

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. Rs. 16 Lakh

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso of Sub-Section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 16 Lakhs	-	-	-	-	-

(f) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 68.81 Lakhs
(ii)	Total amount spent for the Financial Year	Rs. 16.00 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 1.04 Lakh

**7. Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
1.		NA	NA	NA	NA	NA	NA	NA

2.		NA	NA	NA	NA	NA	NA	NA
3.		NA	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes   No

If Yes, enter the number of Capital assets created/ acquired

NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135. - There is tight liquidity situation within the company.

For and on behalf of the Board  
(suspended during CIRP)  
**For Compuage Infocom Limited,**

**Sd/-**  
**Atul Mehta**  
**DIN: 00716869**  
Managing Director (Suspended Director)

**Bhavesh Mehta**  
**DIN: 00740861**  
Director (Suspended Director)

**Taken on Record by**  
**Gajesh Labhchand Jain**  
Resolution Professional

**Reg. No.: IBBI/IPA-001/IP-P-01697/2019 -2020/12588**

Date : 08<sup>th</sup> October, 2024

Place: Mumbai

## ANNEXURE-D

### Particulars of Employees

A. The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

i) Details of the ratio of remuneration of each Director to the median remuneration of the employees for the financial year 2022-23:

Sr. No.	Name of the Directors	Designation	Ratio to median remuneration of the employees
1.	Mr. Atul H. Mehta	Chairman and Managing Director	*
2.	Mr. Bhavesh H. Mehta	Whole-Time Director	*
3.	Mr. Ganesh S. Ganesh*	Non-Executive Independent Director	*
4.	Mr. Vijay Agarwal**	Non-Executive Independent Director	*
5.	Mr. Virendra G. Bhatt***	Non-Executive Independent Director	*
6.	Ms. Hetal Kudecha****	Non-Executive Independent Director	*

\* Mr. Ganesh S. Ganesh resigned as Non-Executive Independent Director w.e.f.14.03.2023

\*\*Mr. Vijay Agarwal resigned as Non-Executive Independent Director w.e.f. 29.03.2023

\*\*\*Mr. Virendra G. Bhatt resigned as Non-Executive Independent Director w.e.f 02.05.2023

\*\*\*\*Ms. Hetal Kudecha resigned as Non-Executive Independent Director w.e.f 29.03.2023

ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2022-23:

Sr. No.	Name of the Directors	Designation	% increase in remuneration
1.	Mr. Atul H. Mehta	Chairman and Managing Director	*
2.	Mr. Bhavesh H. Mehta	Whole-Time Director	*
3.	Mr. Ganesh S. Ganesh*	Non-Executive Independent Director	*
4.	Mr. Vijay Agarwal**	Non-Executive Independent Director	*
5.	Mr. Virendra G. Bhatt***	Non-Executive Independent Director	*
6.	Ms. Hetal Kudecha****	Non-Executive Independent Director	*
7.	Ms. Hasti Pala#	Company Secretary	*

\* Mr. Ganesh S. Ganesh resigned as Non-Executive Independent Director w.e.f.14.03.2023

\*\*Mr. Vijay Agarwal resigned as Non-Executive Independent Director w.e.f. 29.03.2023

\*\*\*Mr. Virendra G. Bhatt resigned as Non-Executive Independent Director w.e.f 02.05.2023

\*\*\*\*Ms. Hetal Kudecha resigned as Non-Executive Independent Director w.e.f 29.03.2023

# Resigned as Company Secretary w.e.f. 29.03.2023

iii) The percentage increase in the median remuneration of employees in the financial year 2022-23: 0.84%

- iv) \*The number of permanent employees on the rolls of Company:
- v) \*Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- vi) It is hereby affirmed that remuneration is as per the remuneration policy of the Company.

**B. Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Particulars	Name: Atul H. Mehta Age: 63	Name: Bhavesh H. Mehta Age: 50
Designation, Nature of duties and Date of commencement of Employment	Chairman and Managing Director, Specialized in Finance and Strategic Planning (08.09.2008)	Whole-time Director, Specialized in Imports and Logistics (18.10.2000)
Qualification / Experience	MBA – U.S.A (32)	M.Com (25)
Gross Remuneration Rs.	1,20,00,000/-	1,20,00,000/-
Nature of employment	Contractual	Contractual
Relationship	Brother of Mr. Bhavesh H. Mehta, Whole-Time Director	Brother of Mr. Atul H. Mehta, Chairman and Managing Director
Previous Employment	Business	Business
Percentage of Equity shares held in the Company	20.35%	20.35%

*Note: The above amount does not include provision of gratuity, provident fund and leave encashment*

**Note:**

- Neither Managing Director or Whole-Time Director or any other directors of the Company have received any remuneration or commission from subsidiary of the Company.

There were no employees in receipt of remuneration more than the limits prescribed under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

- \*Due to overall manpower attrition in the Corporate Debtor and more so in the finance and Information Technology department, several challenges including data corruption were faced in its Information Technology systems. As a result, management was unable to retrieve employee data and consequently, could not calculate the ratio of each Director's remuneration to the median remuneration of the employees for the financial year 2022-23.

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**COMPUAGE INFOCOM LIMITED**  
309, A to Z Industrial Estate,  
Ganpatrao Kadam Marg,  
Lower Parel, Delisle Road,  
Mumbai-400013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **COMPUAGE INFOCOM LIMITED** having CIN: **L99999MH1999PLC135914** (hereinafter called the 'Company') for the financial year ended on 31<sup>st</sup> March, 2023 (the "audit period"/ the period under review).

We conducted the Secretarial Audit in a manner that provided us with a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our **verification** of the Company's books, papers, minutes books, soft copies of various records, scanned copies of minutes of the Board, its committees, forms and returns filed and other records through virtual data room /physically maintained by the Company during the financial year ended 31<sup>st</sup> March, 2023, as well as before the date of issue of this report;
- (ii) Our **observations** pursuant to visit to the office of the Company.
- (iii) **Compliance certificates** confirming compliance with all laws applicable to the Company as given by the Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by the Audit Committee / Board of Directors; and
- (iv) **Representations** made, documents shown and information provided by the Company, its officers, agents and authorized representatives during our conduct of Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023, the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanisms are in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A.





**1. Compliance with specific statutory provisions**

We further report that:

1.1 We have examined the books, papers, minutes books, forms, and returns filed and other records maintained by the Company during the year according to the applicable provisions / clauses of:

- (i) The Companies Act, 2013 ('Act') and the Rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (iv) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
  - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR), 2015"];
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
  - (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015\*;
  - (f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018,
- (vi) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards') as applicable mandatorily to the Company

\* The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirements of regulation 3 (5) and 3 (6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.



**1.2 During the period under review:**

- (i) The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above **except** as stated hereunder:

As at the end of the period under review, three Independent Directors of the Company have resigned. As a result, as on 31<sup>st</sup> March, 2023, the composition of the Board of Directors the Company and its Committees thereof is not as per Regulation 17 of SEBI (LODR), 2015 and Section 149 of the Companies Act, 2013. However, the Company has informed that they will be complying with the said requirement within the time limits as mentioned in the SEBI (LODR), 2015 and the Act.

- (ii) Generally complied with the applicable provisions / clauses of:

- (a) The Act and Rules mentioned under paragraph 1.1 (i)  
(b) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment as mentioned under paragraph 1.1 (iii) and  
(c) The Secretarial Standards on meetings of Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above, which are applicable to the meetings of the Board, Committees constituted by the Board held during the year, the Annual General Meeting held on 30<sup>th</sup> August, 2022. The compliance of the provisions of the Rules made under the Act with regard to participation of Directors through video conference for the Board/Committee meeting(s) held during the year, were verified based on the signed minutes of the meetings provided by the Company.

1.3 We are informed that during the period under review, the Company was not required to initiate any compliance related action in respect of the following laws / rules / regulations / standards and was consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns thereunder:

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;  
(ii) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;  
(iii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and  
(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowings.





## 2. Board processes:

We further report that:

2.1 The Board of Directors of the Company as on 31<sup>st</sup> March, 2023 comprised of:

- (i) Two Executive Directors - Mr. Atul H. Mehta (DIN: 00716869) (Chairman and Managing Director) and Mr. Bhavesh H. Mehta (DIN: 00740861) (Whole-Time Director) and Chief Financial Officer and Chief Operating officer.
- (ii) Non-Executive Independent Director - Mr. Virendra G. Bhatt (DIN: 02343351)

2.2 The following processes relating to the changes in the composition of the Board of Directors and / or Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act and LODR: -

- (i) The Board of Directors at its meeting held on 28<sup>th</sup> July, 2022 has approved the Re-appointment of Mr. Bhavesh H. Mehta (DIN: 00740861) as a Director of the Company who was liable to retire by rotation at the ensuing Annual General Meeting ("AGM") of the Company. His appointment has been approved by the shareholders at its meeting held on 30<sup>th</sup> August, 2022.
- (ii) Cessation of Mr. Ganesh S. Shiva (DIN: 00010877), as a Non-Executive Independent Director of the Company pursuant to his resignation dated 14<sup>th</sup> March, 2023 w.e.f. 14<sup>th</sup> March, 2023.
- (iii) Cessation of Ms. Hetal Kudecha (DIN: 09148116), as a Non-Executive Independent Director of the Company pursuant to her resignation dated 29<sup>th</sup> March, 2023 w.e.f. 29<sup>th</sup> March, 2023.
- (iv) Cessation of Mr. Vijay Agarwal (DIN: 00058548), as a Non-Executive Independent Director of the Company pursuant to his resignation dated 29<sup>th</sup> March, 2023 w.e.f. 29<sup>th</sup> March, 2023.

2.3 Adequate notice of the meetings of the Board and its committees were sent to all the directors to enable them, to plan their schedule for the meetings of the Board, at least seven days in advance except for few meetings which were convened at a shorter notice with the consent of the Board to transact urgent business, at which more than one independent director were present as required under Section 173 (3) of the Act and SS-1.

2.4 Agenda and detailed notes on agenda were sent to the directors at least seven days before the meetings of the Board and its committees, other than in respect of few meetings which were convened at a shorter notice to transact urgent business, and necessary compliance as required under Section 173 (3) of the Act and SS-1 was in place.



2.5 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement / results, unaudited financial results and connected papers; and
- (ii) Additional subjects/ information/ presentations and supplementary notes.

2.6 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meeting and for their meaningful participation at the meeting.

2.7 We note from the minutes verified that, at the Board meetings held during the year:

- (i) Decisions were taken through the majority of the Board; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be recorded as part of the minutes.

### 3. Compliance mechanism

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with the size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

### 4. Specific events / actions

4.1 During the year under review, the following specific events/ actions having a major bearing on the Company's affairs have taken place:

1. The Board of Directors of the Company at its meeting held on 16th May, 2022 has recommended approval of dividend of Rs. 0.20/- (Twenty Paise Only) per equity share, i.e., 10% on face value of Rs. 2.00/- (Rupees Two Only) each out of the profits of the financial year ending on 31<sup>st</sup> March, 2022. The shareholders have approved the said dividend, by way of ordinary resolution, at its meeting held on 30<sup>th</sup> August, 2022.
2. The Board of Directors of the Company at its meeting held on 28th July, 2022 has revised the overall borrowing limits of the Company not exceeding Rs. 1,500 Crore (Rupees Fifteen Hundred Crore Only) at any given point of time in pursuance of Section 180(1)(c) of the Act. The shareholders have approved the revision in the borrowing limits, by way of special resolution, at its meeting held on 30<sup>th</sup> August, 2022.





3. The Board of Directors of the Company at its meeting held on 28th July, 2022 has created charge over the assets of the Company for an amount not exceeding Rs. 1500 Crore (Rupees Fifteen Hundred Crore Only) in pursuance of Section 180(1)(a) of the Act. The shareholders have approved the said creation of charge, by way of special resolution, at its meeting held on 30<sup>th</sup> August, 2022.
4. The Board of Directors of the Company at its Meeting held on 26<sup>th</sup> August, 2022, has approved the appointment of Mr. Bhavesh H. Mehta, who holds the position of Whole-Time Director having DIN: 00710861, as the Chief Financial Officer and the Chief Operating Officer of the Company w.e.f 26<sup>th</sup> August, 2022. The shareholders have approved his appointment, by way of ordinary resolution, at its meeting held on 30<sup>th</sup> August, 2022.
5. The Board of Directors of the Company at its meeting held on 8<sup>th</sup> December, 2022 has approved the allotment of 2,07,92,258 shares of Rs. 2 each at price of Rs. 20 each [including a premium of Rs. 18 /- (Rupees 18 only) per equity share] on a rights basis to the eligible equity shareholders of the Company. The Company has accordingly completed the said rights issue of the equity shares which are listed and permitted to trade on the stock exchanges with effect from Monday, December 19, 2022.
6. Cessation of Ms. Hasti Pala (ICSI Membership No.: A67841), as Company Secretary and Compliance Officer of the Company pursuant to her resignation w.e.f. 30<sup>th</sup> March, 2023.

For BNP & Associates  
Company Secretaries  
[Firm Regn. No. P2014MH037400]



A handwritten signature in black ink, appearing to read "Avinash Bagul", written over a horizontal line.

Avinash Bagul  
Partner

FCS No.: -5578

COP No.: -19862

PR No.: - 637 /2019

UDIN: F005578E000606167

Date: 13<sup>th</sup> July, 2023

Place: Mumbai

**Annexure A to the Secretarial Audit Report for the financial year ended**

**31<sup>st</sup> March, 2023**

To,

**The Members,**

**Compuage Infocom Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. We have considered compliance related actions taken by the Company based on independent legal /professional opinion obtained as being in compliance with law.

4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.



6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.

7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates  
Company Secretaries  
[Firm Regn. No. P2014MH037400]



A handwritten signature in black ink, appearing to read "Avinash Bagul", written over a horizontal line.

Avinash Bagul  
Partner

FCS No.: -5578

COP No.: -19862

PR No.: - 637 /2019

UDIN: F005578E000606167

Date: 13<sup>th</sup> July, 2023  
Place: Mumbai



## CERTIFICATE OF NON- DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Members of  
**Compuage Infocom Limited**  
D-601/602&G-601/602,  
Lotus Corporate Park,  
Steel Compound, Western Express Highway,  
Goregaon (East),  
Mumbai-400063

We have examined the relevant books, papers, minutes books, forms and returns filed, notices received from the Directors for the financial year 2022-23 and other records maintained by the **Compuage Infocom Limited** having CIN: L99999MH1999PLC135914 (hereinafter referred to as the 'the Company') having its registered office at D-601/602&G-601/602, Lotus Corporate Park, Steel Compound, Western Express Highway, Goregaon (East), Mumbai-400063 and also the information provided by the officers, agents and authorised representatives of the Company for the purpose of issue of Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide notification no SEBI/ LAD/ NRO/GN/2018/10 dated 09<sup>th</sup> May 2018 issued by SEBI.

In our opinion and to the best of our information and according to the verifications [including verification of Directors Identification Number (DIN) status as per the portal of Ministry of Corporate Affairs (MCA) i.e. [www.mca.gov.in](http://www.mca.gov.in) ] as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the financial year ending on 31<sup>st</sup> March 2023, have been debarred or disqualified from being appointed or continuing to act as Director of the Company by Securities and Exchange Board of India, Ministry of Corporate Affairs, Government of India or by any such other statutory regulatory authority.

Sr. No	DIN	Name of the Director	Designation	Date of Appointment *
1.	00716869	Atul Harkishandas Mehta	Chairman and Managing Director	08/09/2008
2.	00740861	Bhavesh Mehta	Whole-Time Director	18/10/2000



<b>Sr. No</b>	<b>DIN</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Date of Appointment *</b>
3.	02343351	Virendra Gunvantrai Bhatt	Non-Executive - Independent Director, Employee Director	25/02/2021

\* Dates of Appointment of Directors as stated above are based on information appearing on the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For BNP & Associates  
Company Secretaries  
[Firm Regn. No. P2014MH037400]**



**Avinash Bagul  
Partner**

**FCS No.: -5578**

**COP No.: -19862**

**PR No.: - 637/2019**

**UDIN: F005578E000606178**

**Date: 13<sup>th</sup> July, 2023  
Place: Mumbai**

**Annexure F**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

- 1. Details of contracts or arrangements or transactions not at Arm's length basis:** Not applicable
- 2. Details of material contracts or arrangements or transactions at Arm's length basis:** Not applicable

For and on behalf of the Board  
(suspended during CIRP)

**Compuage Infocom Limited,**

**Sd/-**

**Atul Mehta**

**DIN: 00716869**

Managing Director (Suspended Director)

**Bhavesh Mehta**

**DIN: 00740861**

Director (Suspended Director)

**Taken on Record by**

**Gajesh Jain**

Resolution Professional

**Reg. No.: IBBI/IPA-001/IP-P-01697/2019 -2020/12588**

Date : 08<sup>th</sup> October, 2024

Place: Mumbai

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Compuage Infocom Limited-Industry structure**

Compuage Infocom Limited (hereinafter referred to as “**Company / Compuage**”), had developed as one of India's major IT and Mobility products distribution intermediaries over the course of more than three decades. The Company has established a robust network of resellers to extend the wave of digital connectivity throughout the nation and beyond. Company’s product line consists of PCs, components, and peripherals, cloud computing, mobility devices, enterprise solutions, and physical safety and security. The Company is based in Mumbai and has 46 offices, partnerships with 28 global brands, 25 warehouses and 69 service centres in 600+ cities across the country with a network of over 12,000 resellers assures the smooth delivery of the products. The Company has its global footprints over 7 countries across SAARC nations. The Company handles the entire supply chain, including procurement, warehousing, bulk breaking, technical assistance, material transfer and credit distribution.

The business has been divided into four distinct product segments: IT Consumer, IT Enterprise Solutions, Cloud Computing, and Hardware Services. IT Consumer majorly deals in PCs, audio / video products, peripherals, mobiles and accessories, etc., and brands associated here are Asus, HP, SanDisk, Samsung and various other brands. IT Enterprise segment deals in products related to security, software, power and network infrastructure, etc., and some of the major brands here are Cisco, Microsoft, etc.

These 2 divisions have been in existence for a long while, while cloud computing and hardware services divisions are of recent past. Cloud computing products include business applications, cloud management services, etc., of Microsoft, SAP and many others, while under hardware services, the Company provides warranty services which include basic and chip level repairs for brands like HP, Asus, Vertiv and few others. Compuage with its PAN India network and efficient supply chain provides immense value to its vendors taking care of their distribution angle and providing a wider reach to their products while they can focus on their core competency.

## **Financial Year 2022-23-Development**

FY22-23 was a challenging year for the industry. It began with the deadly second wave of Covid-19 which brought back the lockdown restrictions to prevent the spread of the virus. As the year progressed, the lockdown restrictions were eased before the country was again hit by the third wave of Covid-19 which didn’t prove to be a deadlier one and lasted for a short period of time. Another major disruption faced during the year was on account of shortage of semi-conductors. The production timelines for the manufacturers who were dependent on semi-conductors were impacted and hence the supply of the end finished product.

In FY22-23, the demand was led by restarting of offices while some of the demand continued to come from work from home segments. We believe the future of work will be a mix of work from office and home. This will require new additional investments by the corporates in the areas of remote working and cloud services. The demand for mobiles and laptops has also increased for personal use for efficient communication, education and entertainment purposes. All these factors collectively will lead to sustainable demand.

IT products in the long term have to grow on sustainable basis given the need for the digitalization especially in our country. The world is moving in a rapid space towards complete digitalization, and this is not possible without an extensive use of IT products and its services.

The business of the Company has been severely disrupted on account of extremely tight liquidity situation and inadequate support from major vendors and lenders, who have recalled the credit facilities. This situation has been further aggravated by high level of manpower attrition resulting in serious gaps in maintenance of IT systems and records. The Company has defaulted in respect of instalments and payment of interest on term loans and dues on account of cash credits from Banks., The Company had submitted a restructuring plan to the lenders , however, it was not accepted by them

## **Outlook**

Companies all over the world are increasingly putting an emphasis on specialisation, while at the same time, they are continuing to outsource the services that are not important to their business. This has two advantages over other options. First, it enables the organisation to concentrate on its core business, so that both the management team's available bandwidth and the company's resources may be redirected toward the areas that truly count. Second, it enables them to reduce expenses by outsourcing their non-core operations and delegating them to businesses that are specialised in those areas and are able to do the same functions at a reduced cost. In other words, it enables them to cut costs by reducing their overhead.

The industry of distribution is likewise going through this shift at the moment. Compauge, as a top distribution player, delivers great value to Company's vendor partners by taking care of its vendor partners' distribution angle and offering a larger reach to their products. This helps free up Company's vendor partners to focus on their primary expertise, which is producing innovative products.

Going forward, the Company's focus will continue to keep on adding new brands to its portfolio, penetrate newer regions to increase the scale of the business, improve the product mix and optimize the cost structure to drive the profitability and thus create value for all its stakeholders.

### **Opportunities and Risks**

A growing number of foreign brands wish to enter the Indian market in order to capitalise on its potential. Such brands often desire a sophisticated distribution system covering the country's geographical borders and reaching customers across India, which would accelerate their brand's growth.

Current and emerging product lines are witnessing expansion, resulting in the emergence of numerous new product concepts. This affords the opportunity to not only expand existing product lines, but also enter new product categories to meet the wants of consumers. In view of the ongoing Corporate Insolvency Resolution Process the Company has not been able to encash many opportunities during the period under review. The Company is hopeful to perform better in the next year. Any downward movement of product prices of the investee Companies could affect their margins, which could be a threat to the Company's fortunes.

### **Internal control systems and their adequacy**

The Company has, in all material respects, an adequate framework for internal financial controls commensurate with the size, scale and complexity of the Company's operations.

### **Disclaimer**

Certain statements made in the Management Discussion and Analysis Report relating to the Company constitute as 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.

For and on behalf of the Board  
(suspended during CIRP)

**Compauge Infocom Limited,**

Sd/-

**Atul Mehta**

**DIN: 00716869**

Managing Director (Suspended Director)

**Bhavesh Mehta**

**DIN: 00740861**

Director (Suspended Director)

**Taken on Record by**

**Gajesh Jain**

Resolution Professional

**Reg. No.: IBBI/IPA-001/IP-P-01697/2019 -2020/12588**

Date : 08<sup>th</sup> October, 2024

Place: Mumbai



*Speed*  
*Reliability*  
*Value Performance*

**COMPUAGE INFOCOM LTD.**

# **24th Annual Report**

**2022-23**

**Standalone**



# BHOGILAL C. SHAH & CO.

## CHARTERED ACCOUNTANTS

2A, Shree Pant Bhuvan, 1<sup>st</sup> floor, Sandhurst Bridge, Mumbai 400 007.

Phone : 2361 0939

### PARTNERS :

SNEHAL V. SHAH

B. Com., F.C.A., M.M. (U.S.A.)

SURIL V. SHAH

B. Com., A.C.A., M.B.A. (U.S.A.)

### INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
Compuage Infocom Limited

### Report on the Audit of the Standalone Financial Statements

#### Disclaimer of Opinion

We were engaged to audit the accompanying standalone financial statements of Compuage Infocom Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

We do not express an opinion on the accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

#### Basis for Disclaimer of Opinion

- (a) As explained in note 1 to the financial statements, all the directors of the company except two directors and Company Secretary have resigned from their positions in the Company prior to commencement of the Corporate Insolvency Resolution Process ("CIRP") on 2<sup>nd</sup> November 2023. Upon commencement of the CIRP, the powers of the Board of Directors of the Company stand suspended and are exercised by the Resolution Professional ("RP"). Since these financial statements belong to the period when the affairs of the company were being managed and governed by the erstwhile Board of Directors of the Company, these financial statements have been prepared with the same "basis of preparation" as adopted by the erstwhile Board of Directors as enumerated upon the Board under Section 134(5), of the Companies Act, 2013 and related regulations, while highlighting/addressing any material departures as per the current conditions and events which occurred subsequent to the balance sheet date. While signing the aforesaid financial statements, the Resolution Professional (RP) has relied on the representation and statements made by existing staff/heads of the departments and accounts, Finance and Tax team of the Company. We have been given to understand that RP has signed the attached financial statements solely for the purpose of compliance and discharging his duty under the CIRP, governed by the Insolvency and Bankruptcy Code, 2016 (the "Code").
- (b) As mentioned in note 43 to the financial statements, pursuant to the commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the RP. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined upon the successful resolution of the Company. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess or short claims or non-receipts of claims for operational and financial creditors. Hence, consequential impact, if any, is currently not ascertainable and we are unable to comment on possible financial impact of the same.
- (c) **Books of Accounts**  
As stated in note 1 to the accompanying standalone financial statements, the books of accounts maintained on SAP are not accessible due to high level of manpower attrition resulting in serious gaps in maintenance of IT systems and records. In the absence of sufficient and appropriate evidence to substantiate the same, we are unable to verify and comment on whether the books of accounts maintained on SAP are accessible or not and the consequent impact on the standalone financial statements. As such, in the absence of





accessibility to books of accounts, we have conducted the audit on the basis of alternate procedures to the extent possible.

**(d) Inventories**

Inventories are being carried at Rs. 16,735.38 lakhs out of which Rs. 2,307.40 lakhs are located at Singapore Branch which is not audited by us. The management was of the view that these inventories continue to remain marketable. However, due to ongoing default in payment to lenders who hold a hypothecation charge on these inventories, certain sale restrictions have been imposed. As most of the inventories remain unsold, the realizable value of the inventories is in doubt. In the absence of sufficient and appropriate evidence to support the management's assessment with respect to realizable value of the inventories, we are unable to comment on whether the inventories are being carried at cost or realizable value, whichever is lower as required by Ind AS 2 and the consequent impact, if any, on the carrying value of the aforesaid inventories.

**(e) Trade Receivables and Provision for Doubtful Debts**

Trade Receivables are being carried at Rs. 54,597.82 lakhs out of which Rs. 1,772.53 lakhs are of Singapore Branch which is not audited by us. Amount of Provision for Expected Credit Loss on Trade Receivables of Rs. 46,103.29 Lakhs has been disclosed in note 6 and not debited to the Profit and Loss Account and has not been reduced from Trade Receivables in the Balance Sheet which is not in accordance with Ind AS. As stated in note 1 due to restrictions imposed by lenders on inventory sales, the Company is currently unable to make further supplies to customers. This disruption in the purchase-sales-collection cycle has posed challenges in debt collection and recovery. The expected realization of the amounts outstanding from customers is uncertain. Further, requests for confirmations had been sent to a sample of debtors. However, no replies were received from them. Due to unavailability of confirmations, we are unable to comment on the impact, if any, on the carrying value of the aforesaid Trade Receivables, its Ageing Schedule and the adequacy of Provision for Expected Credit Loss. Further, as the Provision for Expected Credit Loss of Rs. 46,103.29 has been disclosed as a note and not debited to the Profit and Loss Account, the loss has been understated to that extent.

**(f) Balances with Government Authorities**

Balances with Government Authorities are being carried at Rs. 6,546.80 lakhs. This balance comprises of VAT paid on account of disputed cases of Rs. 56.64 lakhs, Customs Duty Refund of Rs. 195.42 lakhs, Unjust Enrichment of Rs. 47.82 lakhs and GST Input Credit Available of Rs. 6,246.92 lakhs. The recoverability of VAT Refund, Customs Duty Refund and Unjust Enrichment depends on the outcome of the cases filed with the respective government departments. Availability and Utilization of GST Input Credit depends on the outcome of the CIRP and whether the Company is able make payments to its suppliers and to sell products in the future. Accordingly, we are unable to comment on the impact, if any, on the carrying value of the aforesaid Balances with Government Authorities.

**(g) Trade Payables**

Trade Payables are being carried at Rs. 33,392.39 lakhs. Confirmations from certain parties are not available. Due to unavailability of confirmations, we are unable to ascertain the impact on the carrying value of the aforesaid Trade Payables, its ageing schedule and corresponding impact, if any, on Purchase of stock-in-trade.

**(h) Purchase of stock-in-trade**

Purchase Rate Difference of Rs. 13,942.29 lakhs has been credited to this account. Proper records for verification of this amount were not available. Accordingly, we are unable to ascertain the impact on this amount and the corresponding impact, if any, on the loss of the Company.

**(i) Impairment to Debtors**

Impairment to Debtors of Rs. 8,392.70 lakhs is on account of loss on Merchanting Transaction. Based on available documentation related to the transaction, we are unable to ascertain the impact on this amount and the corresponding impact, if any, on the loss of the Company.

(j) We have been informed that the report submitted by the Forensic Auditor appointed by Committee of Creditors is confidential. Further, we have been informed by the Interim Resolution Professional & Resolution Professional that certain information including the minutes of meetings of the Committee of Creditors and the outcome of certain procedures carried out as part of the CIRP are confidential in nature and could not be shared with anyone other than the Committee of Creditors and NCLT. Accordingly, we are unable to comment on the possible financial impact, presentation and disclosures, if any, that may arise if we had been provided access to such information.





### **Material uncertainty related to Going Concern**

The financial statements are presented with the assumption that the Company will be able to continue its operations and that it has the ability to meet its financial obligations and liabilities in the normal course of business. As stated in note 1 to the accompanying standalone financial statements, the business of the Company has been severely disrupted on account of extremely tight liquidity situation and inadequate support from major vendors and lenders, who have recalled the credit facilities. This situation has been further aggravated by high level of manpower attrition resulting in serious gaps in maintenance of IT systems and records. The Company has defaulted in respect of instalments and payment of interest on term loans and dues on account of cash credits from Banks. As confirmed by the management, the Company had submitted a restructuring plan to the lenders which has not been accepted by them. The Company is undergoing the Corporate Insolvency Resolution Process as explained in detail in note 42. Such events and conditions, along with the matters described in the section of Disclaimer of Opinion in our report, and their possible impact on erstwhile management's assumptions, and other matters as set forth in note 1, indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. In the absence of sufficient and appropriate evidence, we are unable to comment as to whether the going concern basis for the preparation of these financial statements taken by the Resolution Professional is appropriate.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters discussed in the Basis for Disclaimer of Opinion Paragraph, there are no other Key Audit Matters to be communicated in the Auditor's Report.

### **Responsibility of Management for the standalone financial statements**

The Company has been under the Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") vide order dated 2<sup>nd</sup> November 2023 passed by the National Company Law Tribunal ("NCLT"). The powers of the Board of Directors stand suspended as per Section 17 of the Code and such powers were being exercised by the Interim Resolution Professional (IRP) appointed by the NCLT by the said order under the provisions of the Code. As per Section 20 of the Code, the management and operations of the Company were being managed by the Interim Resolution Professional Mr. Arun Kapoor upon commencement of CIRP. Subsequently, vide order dated 29<sup>th</sup> April 2024 passed by NCLT, the IRP Mr. Arun Kapoor was replaced by Resolution Professional (RP) Mr. Gajesh Labhchand Jain who is now responsible for the management and operations of the Company.

The management is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Under Section 20 of the Code, it is incumbent upon the Resolution Professional to manage the operations of the Company as a going concern upon initiation of CIRP and the financial statements which have been prepared on going concern basis have been considered by the Resolution Professional accordingly.

The management is also responsible for overseeing the Company's financial reporting process.





## Auditor's responsibilities for the audit of the Standalone Financial Statements

Our responsibility is to conduct an audit of the accompanying standalone financial statements in accordance with Standards on Auditing specified under section 143(10) of the Act, and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

## Other Matter

We have not audited the financial statements and other financial information of one of the branches located outside India.

These financial statements and financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of the foreign branch and our report in terms of section 143 (3) of the Act, insofar as it relates to the aforesaid foreign branch is based solely on the reports of the other auditors.

The financial statements and other financial information of the foreign branch which is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in that country and which has been audited by other auditors under generally accepted auditing standards applicable in that country. The Company's management has converted the financial statements of this branch located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of the branch located outside India is based on the reports of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on legal and other regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable, which is subject to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above and the Basis for Disclaimer of Opinion in our separate Report on the Internal Controls over Financial Reporting.
2. As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of its foreign branch, as noted in the "other matters" paragraph, we report, to the extent applicable that :
  - (a) as described in the Basis for Disclaimer of Opinion section above, we have sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) as described in the Basis for Disclaimer of Opinion section, we are unable to state whether proper books of account as required by law have been kept by the Company;
  - (c) as described in the Basis for Disclaimer of Opinion section, we are unable to state whether the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) the matters described in the Basis for Disclaimer of Opinion and in the Material Uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) on the basis of the written representations received from the directors, as on 31<sup>st</sup> March 2023, and taken on



record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director, in terms of Section 164 (2) of the Act;

- (g) the reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section above.
- (h) with respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses disclaimer opinion on the Company's internal financial controls over financial reporting for the reasons stated therein;
- (i) with respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
- (j) other than the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph above, with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
- (i) the Company has disclosed the impact on pending litigations on its financial position in its standalone financial statements;
- (ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) above, contain any material mis-statement.
- (v) The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.



For Bhogilal C. Shah & Co.  
Chartered Accountants  
Firm's registration No. 101424W

*Suril Shah*

Suril Shah  
Partner

Membership No. 42710  
UDIN : 24042710BKGWNP7292  
Mumbai, October 8, 2024



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the period ended 31<sup>st</sup> March 2023, we report that :

- (i) (a) (A) As stated in note 1 to the accompanying standalone financial statements, the books of accounts maintained on SAP are not accessible due to high level of manpower attrition resulting in serious gaps in maintenance of IT systems and records.  
In view of the above, we are unable to comment on whether the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (B) Due to the reasons stated in (A) above, we are unable to comment on whether the Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, the Property, Plant & Equipment 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. As explained to us, no material discrepancies were noticed on such verification.
- (c) As explained to us, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) As explained to us, the Company has not revalued its Property, Plant & Equipment or intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- (e) As explained to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- (ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) As explained to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit, in our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions upto 31<sup>st</sup> December 2022 are in agreement with the books of account of the Company.
- As stated in note 1 to the accompanying standalone financial statements, the books of accounts maintained on SAP are not accessible due to high level of manpower attrition resulting in serious gaps in maintenance of IT systems and records.
- In view of the above, we are unable to comment on whether the returns or statements filed by the Company with such banks or financial institutions for the quarter ended 31<sup>st</sup> March 2023 are in agreement with the books of account of the Company.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.



- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sections 73 and 76 of the Act. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Act. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) As explained to us, the Central Government has not prescribed the maintenance of Cost Records under section 148(1). Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities during the year except for Income Tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues were in arrears, as at 31<sup>st</sup> March 2023 for a period of more than six months from the date they became payable except for Income Tax for A. Y. 2021-22 amounting to Rs. 3,41,69,670/- and Income Tax for A. Y. 2022-23 amounting to Rs. 3,30,81,600/-. The Company has made an application to the Income Tax Department to adjust this tax payable for A. Y. 2021-22 against refund due for A. Y. 2020-21 amounting to Rs. 4,29,62,590/- as determined by Intimation u/s 143(1) of the Income Tax Act, 1961.

- (b) According to the information and explanations given to us, the amounts which have not been deposited as on 31<sup>st</sup> March 2023 on account of any dispute, are as follows :

Name of the statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax & Entry Tax Acts of respective states	Sales Tax and Entry Tax	3.67	2014-2015	A.C. Appeal
		18.94	2007-2013	D.C. Appeal
		4.82	2009-2010	D.C. Appeal
		9.82	2010-2011	D.C. Appeal
		24.50	2011-2012	D.C. Appeal
		8.08	2012-2013	D.C. Appeal
		15.00	2013-2014	D.C. Appeal
		31.71	2014-2015	D.C. Appeal
		6.42	2015-2016	D.C. Appeal
		4.10	2016-2017	D.C. Appeal
		36.43	2015-2016	J.C. Appeal
Goods and Service Tax Act, 2017	Goods and Service Tax	82.30	2017-2018	
The Customs Act, 1962	Custom Duty	1,088.93	2009-2022	Departmental Authorities / CESTAT
Income Tax Act, 1961	Income Tax	6,554.45	2019-20	CIT (Appeals)

- (viii) As explained to us, there are no transactions which were not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).





- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans and other borrowings and in the payment of interest thereon to lenders as stated below (details provided to the extent available) :

S. No.	Nature of borrowing	Name of Lender	Amount not paid on due date (Rs. in lakhs)	Whether principal or interest	No. of days delay or unpaid
1.	Unsecured Loan	Arka Fincap Limited	216.88	Principal	6
2.	Unsecured Loan	Arka Fincap Limited	24.77	Principal	5
3.	Unsecured Loan	Arka Fincap Limited	121.64	Principal	2
4.	GECL Loan	Bandhan Bank	12.41	Both	26
5.	GECL Loan	Central Bank of India	57.38	Both	42
6.	GECL Loan	Central Bank of India	57.38	Both	14
7.	GECL Loan	Indian Bank	34.71	Both	31
8.	GECL Loan	Indian Bank	34.12	Both	2
9.	Unsecured Loan	Livfin India Pvt. Ltd.	76.95	Principal	5
10.	Unsecured Loan	Livfin India Pvt. Ltd.	49.99	Principal	3
11.	Unsecured Loan	Livfin India Pvt. Ltd.	79.96	Principal	2
12.	Term Loan	Mahindra & Mahindra Financial Services Ltd.	7.48	Principal	25
13.	Working Capital Loan	Equentia Financial Service Pvt Ltd	59.99	Principal	2
14.	Working Capital Loan	Equentia Financial Service Pvt Ltd	234.99	Principal	1
15.	Working Capital Loan	Profectus Capital Pvt Ltd	139.91	Principal	7
16.	Working Capital Loan	Profectus Capital Pvt Ltd	359.43	Principal	6
17.	Unsecured Loan	Siemens Factoring Pvt. Ltd.	397.32	Principal	26
18.	Unsecured Loan	Siemens Factoring Pvt. Ltd.	198.62	Principal	22
19.	GECL Loan	Tata Capital Ltd.	15.07	Principal	54
20.	GECL Loan	Tata Capital Ltd.	14.56	Principal	26
21.	Working Capital Loan	Eight Finance Pvt. Ltd.	500.00	Principal	23





- (b) As explained to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purpose.
- (e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offering or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- (b) The Company has made preferential allotment of shares during the year. In our opinion and according to the information and explanations given to us the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- (xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there were no whistle-blower complaints received during the year by the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.



- (c) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- (d) To the best of our knowledge and belief and according to the information and explanations given to us, there is no CIC as part of the Group. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company.
- (xvii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has incurred cash loss of Rs. 20,095.12 lakhs in the financial year. The Company has not incurred cash loss in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) As referred to in "Material uncertainty related to Going Concern" paragraph in our main audit report and as disclosed in Note 1 to the accompanying standalone financial statements and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the erstwhile Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, there exists a material uncertainty as on the date of the audit report that Company may not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) To the best of our knowledge and belief and according to the information and explanations given to us, the unspent amount under sub-section (5) of Section 135 of the Act in respect of other than ongoing projects has not been transferred to a Fund specified in Schedule VII of the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) To the best of our knowledge and belief and according to the information and explanations given to us, the unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing projects has not been transferred to special account in compliance with provision of sub section (6) of section 135 of the Companies Act.



For Bhogilal C. Shah & Co.  
Chartered Accountants  
Firm's registration No. 101424W

*Suril Shah*

Suril Shah  
Partner  
Membership No. 42710  
UDIN : 24042710BKGWNP7292  
Mumbai, October 8, 2024



## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **Disclaimer of Opinion**

We were engaged to audit the internal financial controls over financial reporting of Compuage Infocom Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

We do not express an opinion on the internal financial controls over financial reporting of the Company. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Company.

#### **Basis for Disclaimer of Opinion**

The system of internal financial controls over financial reporting with regard to the Company were not made available to us to enable us to determine if the Company has established adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31<sup>st</sup> March 2023 due to reasons as stated in Note 1 of the financial statements.

#### **Management's responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Inherent limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



For Bhogilal C. Shah & Co.  
*Chartered Accountants*  
Firm's registration No. 101424W

Suril Shah  
Partner

Membership No. 42710  
UDIN : 24042710BKGWNP7292  
Mumbai, October 8, 2024

# Compuage Infocom Limited

Balance Sheet as at March 31, 2023

(₹ in Lakh unless otherwise stated)

Particulars	Note	31-Mar-23	31-Mar-22
<b>A. ASSETS</b>			
1. Non-current assets			
a) Property, plant and equipment	2	4,854.15	4,855.19
b) Intangible assets	2	0.56	0.65
c) Financial assets			
(i) Investments	3	139.28	158.22
(ii) Others financial assets	4	-	448.05
<b>Total non-current assets</b>		<b>4,993.99</b>	<b>5,462.11</b>
2. Current assets			
a) Inventories	5	16,735.38	43,697.63
b) Financial assets			
(i) Trade receivables	6	54,597.82	52,083.26
(ii) Cash and cash equivalents	7	1,233.61	507.21
(iii) Bank balances other than (ii) above	8	8,047.05	7,958.35
(iv) Loans	9	19.10	22.13
(v) Other financial assets	10	1,210.73	1,174.99
c) Current tax assets (net)	11	280.84	-
d) Other current assets	12	6,705.18	6,805.37
<b>Total current assets</b>		<b>88,829.71</b>	<b>112,248.94</b>
<b>TOTAL ASSETS</b>		<b>93,823.70</b>	<b>117,711.05</b>
<b>B. EQUITY AND LIABILITIES</b>			
Equity			
a) Equity share capital	13	1,715.36	1,299.52
b) Other equity	14	6,993.55	23,427.09
<b>Total equity</b>		<b>8,708.91</b>	<b>24,726.61</b>
Liabilities			
1. Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	15	-	4,779.81
b) Provisions	16	-	206.91
c) Deferred tax liabilities (net)	17	-	421.77
<b>Total non-current liabilities</b>		<b>-</b>	<b>5,408.49</b>
2. Current liabilities			
a) Financial liabilities			
(i) Borrowings	18	50,001.79	50,106.24
(ii) Trade payables	19		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		33,392.39	33,970.80
(iii) Other financial liabilities	20	1,234.77	1,516.06
b) Other current liabilities	21	185.31	1,783.81
c) Provisions	22	300.53	30.00
d) Current tax liabilities (net)	17	-	169.04
<b>Total current liabilities</b>		<b>85,114.79</b>	<b>87,575.95</b>
<b>Total liabilities</b>		<b>85,114.79</b>	<b>92,984.44</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>93,823.70</b>	<b>117,711.05</b>
<b>Significant accounting policies</b>	1		

The above Balance Sheet should be read in conjunction with the accompanying Notes

As per our report of even date

For Bhogilal C. Shah & Co.

Firm Reg. No.: 101424W

Chartered Accountants

*Sueilushel*

(CA. S. V. Shah)

Partner

Membership No. : 042710

Place : Mumbai

Dated : *5th October, 2024*



For and Behalf on behalf of Compuage Infocom Limited

*Gajesh Labhchandra Jain*

Gajesh Labhchandra Jain

IBBI Reg. No.: IBBI/IPA/REG/11/2019-2020/12588

Resolution Professional

*Atul Mehta*

Atul Mehta

Suspended Director

*Bhaves Mehta*

Bhaves Mehta

Suspended Director



# Compuage Infocom Limited

Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakh unless otherwise stated)

Particulars	Note	2022-23	2021-22
Revenue from operations	23	373,948.47	420,750.18
Other income	24	602.71	1,644.96
<b>Total Income</b>		<b>374,551.18</b>	<b>422,395.14</b>
<b>Expenses</b>			
Purchase of stock-in-trade	25	342,344.37	414,912.46
Changes in inventories of stock in trade	26	26,962.25	(11,758.83)
Employee benefits expense	27	3,443.91	3,476.85
Finance costs	28	7,379.13	7,442.99
Depreciation and amortisation expenses	2	307.71	340.69
Other expenses	29	14,235.96	4,314.77
<b>Total Expenses</b>		<b>394,673.33</b>	<b>418,728.93</b>
Profit before exceptional items and tax		(20,122.15)	3,666.21
<b>Profit before tax</b>		<b>(20,122.15)</b>	<b>3,666.21</b>
<b>Tax expense</b>			
Current tax	17	5.48	954.53
Tax for Earlier Years	17	275.20	-
Deferred tax	17	(421.77)	34.70
<b>Total tax expense</b>		<b>(141.09)</b>	<b>989.23</b>
<b>Profit for the year</b>		<b>(19,981.06)</b>	<b>2,676.98</b>
<b>Other Comprehensive Income</b>			
a) Items that will not be reclassified to profit and loss			
- Remeasurment of Defined Employee Benefit Plans		-	17.80
- Income Tax relating to above items		-	(4.48)
b) Items that will be reclassified to profit and loss			
- Foreign Currency Translation difference		(65.14)	(20.61)
- Income Tax relating to above items		-	5.19
<b>Other Comprehensive Income, net of tax</b>		<b>(65.14)</b>	<b>(2.10)</b>
<b>Total Comprehensive Income for the year</b>		<b>(20,046.20)</b>	<b>2,674.88</b>
<b>Earnings per Equity share attributable to owners of the Company</b>			
No. of shares		857.68	649.76
Basic and diluted earning per Equity share of ₹2 each		(28.16)	4.12
Significant accounting policies	1		

The above Profit & Loss should be read in conjunction with the accompanying Notes

As per our report of even date  
For Bhogilal C. Shah & Co.  
Firm Reg. No.: 101424W  
Chartered Accountants



*Sunil Shah*

(CA. S. V. Shah)  
Partner

Membership No. : 042710

Place : Mumbai

Dated : 27th October, 2024

For and Behalf on behalf of Compuage Infocom Limited

*Gajesh*  
Gajesh Labhechandra Jain  
IBBI Reg. No. IA/PA/001/IP-P 01697/2019 -2020/12588  
Resolution Professional

*Atul Mehta*  
Atul Mehta  
Suspended Director

*Bhavesh Mehta*  
Bhavesh Mehta  
Suspended Director

**COMPUAGE INFOCOM LIMITED**  
Statement of Cash Flows for the year ended March 31, 2023

(₹ In Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>A. Cash Flows From Operating Activities</b>		
Profit before tax	(20,122.15)	3,666.21
<u>Adjustment For:</u>		
Depreciation and amortisation expenses	307.71	340.69
Impairment of Debtors	8,392.70	-
Unrealised Exchange Rate Difference (Net)	(65.14)	(23.40)
Finance costs	7,379.13	7,442.99
Interest income from financial assets measured at amortised cost	(563.02)	(1,627.95)
Loss / (Gain) on Sale of Property, Plant & Equipment	1.54	-
<b>Operating Profit Before Working Capital Changes</b>	<b>(4,669.23)</b>	<b>9,798.54</b>
<b>Changes in working capital:</b>		
Decrease/(Increase) In Inventories	26,962.25	(11,758.83)
Decrease/(Increase) In Trade Receivables	(10,907.26)	3,392.64
Decrease/(Increase) In Current Loans	3.03	677.10
Decrease/(Increase) In Other Current Assets	112.35	3,326.64
Decrease/(Increase) In Other Financial Assets	(35.74)	822.58
Increase /(Decrease) In Trade Payables	(578.41)	9,597.20
Increase /(Decrease) In Other Financial Liabilities	(281.29)	1,088.63
Increase /(Decrease) In Other Current Liabilities	(1,767.54)	(1,797.96)
Increase /(Decrease) In provisions	63.62	40.14
<b>Total</b>	<b>13,571.01</b>	<b>5,388.14</b>
Income tax paid (net of refund)	(573.68)	(600.37)
<b>Net Cash Inflow/(Outflow) From Operating Activities (A)</b>	<b>8,328.10</b>	<b>14,586.31</b>
<b>B. Cash Flows From Investing Activities</b>		
Purchase of Property, plant and equipment	(325.82)	(484.44)
Sale of Property, plant and equipment	17.70	-
Sale/(Purchase) of Non-Current Investments	18.94	15.80
Proceeds from / (Payment of) fixed deposits	359.35	(1,541.54)
Interest received on financial assets measured at amortised cost	563.02	1,627.95
<b>Net Cash Inflow/(Outflow) From Investing Activities (B)</b>	<b>633.19</b>	<b>(382.23)</b>
<b>C. Cash Flows From Financing Activities</b>		
Proceeds from Issuance of Equity Share Capital under Rights Issue	4,158.45	-
Proceeds from / (Repayment of) Current Borrowings	(104.45)	(4,572.62)
Proceeds from / (Repayment of) Non Current Borrowings	(4,779.81)	(2,330.65)
Interest Paid	(7,379.13)	(7,442.99)
Dividend on Equity shares	(129.95)	(129.95)
<b>Net Cash Inflow/(Outflow) From Financing Activities ( C )</b>	<b>(8,234.89)</b>	<b>(14,476.21)</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>726.40</b>	<b>(272.13)</b>
Cash And Cash Equivalents As At Beginning Of The Year	507.21	779.34
Cash And Cash Equivalents As At End Of The Year	<b>1,233.61</b>	<b>507.21</b>

i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows as notified under the Companies (Indian Accounting Standards) Rules, 2015.

As per our report of even date

For and Behalf on behalf of Compuage Infocom Limited

For Bhogilal C. Shah & Co.

Firm Reg. No.: 101424W  
Chartered Accountants

(CA. S. V. Shah)  
Partner

Membership No. : 042710  
Place : Mumbai

Dated : 8th October 2024



*Gajesh Labhchand Jain*  
Gajesh Labhchand Jain  
IBBI Reg. No.: IBBI/PA-00/EP-D 01697/2019-2020/12588  
Resolution Professional

Atul Mehta  
Suspended Director

*Bhavesh Mehta*  
Bhavesh Mehta  
Suspended Director



## Compuage Infocom Limited

Statement of Changes in Equity for the year ended March 31, 2023  
(₹ in Lakh unless otherwise stated)

### A. Equity Share Capital

Particulars	Note	Amount
<b>As at April 01, 2021</b>	13	<b>1,299.52</b>
Changes in Equity share capital during the year		-
<b>As at March 31, 2022</b>	13	<b>1,299.52</b>
Changes in Equity share capital during the year		415.84
<b>As at March 31, 2023</b>	13	<b>1,715.36</b>

### B. Other Equity

Particulars	Reserves and Surplus					Total other Equity
	Securities Premium Reserve	General Reserve	Capital reserve	Capital redemption reserve	Retained Earnings	
<b>As at April 01, 2022</b>	<b>3,668.80</b>	<b>35.36</b>	<b>134.84</b>	<b>129.72</b>	<b>19,458.37</b>	<b>23,427.09</b>
Profit for the year	-	-	-	-	(19,981.06)	(19,981.06)
Other Comprehensive Income	-	-	-	-	(65.14)	(65.14)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>(20,046.20)</b>	<b>(20,046.20)</b>
Preferential allotment-Rights Issue	3,742.61	-	-	-	-	<b>3,742.61</b>
<b>Transactions with owners in their capacity as owners:-</b>						
Dividend paid (including dividend distribution tax)	-	-	-	-	(129.95)	(129.95)
<b>As at March 31, 2023</b>	<b>7,411.41</b>	<b>35.36</b>	<b>134.84</b>	<b>129.72</b>	<b>(717.78)</b>	<b>6,993.55</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.





## Compuage Infocom Limited

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2023.

### Note 1: Corporate Information/Overview:

Compuage Infocom Limited (The Company) is a public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the BSE Ltd and NSE Ltd.

#### Business Overview and Challenges:

##### Business Overview:

Compuage is in the business of distribution of technology products, services, software & telecom products. It helps marquee brands like ASUS, HP, CISCO, Microsoft and tens of others bring their products to the markets through 10,000+ resellers. It also offers warranty services as value addition and also to shore up its bottom line.

It has a strong reputation built over three decades and operates through a nationwide network comprising 45 sales offices, 27 warehouses, and 70 service centers. An international presence in Singapore caters to the Asia Pacific region. Compuage is one of the few distributors handling major brands like Asus, Cisco, HP, and Microsoft. It has received numerous awards for its outstanding performance.

Compuage has been availing credit facilities from a bank consortium led by Indian Bank. It has had an unblemished track record for meeting its commitments to all the lenders on time, except in recent months.

##### Nature of Business:

The IT distribution sector, characterized by razor-thin profit margins (typically around 1%), involves substantial logistics operations encompassing procurement, warehousing, transportation, channel development, and credit deployment. Compuage faces the perpetual challenge of product obsolescence due to the fast-paced evolution of technology. Furthermore, it competes with global giants, which enjoy economies of scale, efficient operations, and robust global networks, providing them a distinct competitive edge.

##### Business Strategy and Execution:

Compuage's strategy aimed to achieve growth by expanding its presence across Mobility, IT Consumer, IT Enterprise, Cloud Business, and Services segments, aspiring to become a comprehensive distribution hub. While it secured distributorships for top brands in these areas, the strategy faced challenges due to slow scaling compared to peers, primarily because of inadequate low-cost working capital.

While Compuage matched its peers in terms of market penetration, sales infrastructure, and warehousing facilities, it did so with significantly lower revenue. Consequently, operational costs as a percentage of revenue remained elevated, aggravated by costly debt financing, substantially eroding gross margins. As a result, limited surplus funds were available for growth. To address this, Compuage strategically shifted focus away from mobility and IT consumer sectors to prioritize enterprise business, cloud offerings, and services, which offered better profit margins. This shift began in 2019, well before the onset of the COVID-19 pandemic.

##### Impact of COVID:

With the COVID-19 pandemic emerging in early 2020, Compuage faced severe challenges. The enterprise business, initially flourishing, suffered as major clients like corporate enterprises and government offices closed, impacting sales significantly. Simultaneously, semiconductor shortages disrupted stock availability, worsening



receivables management and extending the working capital cycle. Ironically, the IT consumer sector, which Compuage had de-emphasized, boomed due to high demand for laptops and smartphones driven by remote work and study. This dual blow caused the company to lose out on the thriving IT consumer market while facing a decline in the IT enterprise sector.

To mitigate these challenges, Compuage expanded its customer base by targeting a large number of MSME customers. Leveraging its nationwide distribution network, this strategy initially boosted sales but posed difficulties in receivables collection as defaults from this segment surged rapidly from December 2022.

#### **Stagnant Working Capital Support:**

Efforts to secure enhanced working capital limits encountered delays and preconditions, resulting in insufficient working capital to sustain operations. Some consortium banks even reduced existing limits, further aggravating the situation.

#### **Efforts to Overcome Challenges:**

Faced with the severe working capital deficit and declining support from banks, Compuage made extensive efforts to navigate the crisis. Despite some success in securing partial assistance from NBFCs and an arrangement of Rs. 80 crores in working capital with one of the leading banks, these measures proved inadequate. The company explored multiple avenues, including private equity funding, seeking a strategic partner, and even contemplating a complete sale of the business as a going concern. However, due to the fiercely competitive nature of the industry and its thin profit margins, it couldn't find a suitable partner or investor.

To address the acute liquidity shortage, the promoters sold a portion of their shareholding in the open market, injecting Rs. 15 crores into the company. Compuage had also planned a rights issue of equity shares, which eventually materialized in December 2022, resulting in infusion of approximately Rs. 41.58 crores into the company. However, these funds provided only a temporary respite, addressing a small fraction of the substantial cash deficit the company faced.

Despite the substantial working capital shortfall, Compuage diligently strived to meet its payment commitments to lenders, even if it meant missing out on potential business opportunities. This determination to honoring obligations to lenders contributed to continuous delays in payments to vendors.

#### **Dwindling Vendor Support:**

Although Compuage initially benefited from its long-standing relationships and credibility with multinational vendors, this support was short-lived. The company had assured vendors that payments would be regularized once the enhanced limits were approved. Due to dwindling vendor support to Compuage, regular practice to adjust Compuage claims for marketing, training, special price clearances, price protection, etc, which gets adjusted against future purchases have not been recognised by the vendors. However, as these limits were not released, delays in streamlining vendor payments persisted. Vendors began redirecting their business to Compuage's competitors, strengthening the competition while simultaneously weakening Compuage. Prolonged payment delays eventually led vendors to withhold deliveries and, in some cases, completely withdraw their support, even terminating agency arrangements with Compuage. There are counter claims by company as per industry's norms for various activities performed by the company on behalf of the vendors which have not been considered by them.

#### **Additional Factors:**

Factors like rupee depreciation and increased online sales exerted additional pressure on offline channels and supply chain margins.

#### **Current Situation:**

Amid market pressures, Compuage experienced a significant reduction in team size, leading to warehouse consolidation and outsourcing of various functions. The company is grappling with inventory sales due to restrictions imposed by lenders, outstanding payments recovery, and vendor claims, impacting profitability, cash flow, and credibility. This situation has been further aggravated by high level of manpower attrition resulting in serious gaps in maintenance of IT systems and records which has resulted in non-accessibility to the books of accounts maintained on SAP.

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Subsequently, a petition C.P. (IB) 329/MB/2023 was filed by Plus Plus Engagement Services Pvt Ltd under section 7 of Insolvency and Bankruptcy Code, 2016 ('IBC') against Compuage Infocom Limited ("Corporate Debtor") for the default in payment of INR 1,68,57,123/- (Rupees One Crore Sixty-Eight Lacs Fifty-Seven Thousand One Hundred Twenty-Three Only). The Hon'ble NCLT, Mumbai Bench admitted the petition and ordered initiation of Corporate Insolvency Resolution Process in respect of the Corporate Debtor on November 02, 2023. The Hon'ble Bench in the same order appointed Mr. Arun Kapoor as the Interim Resolution Professional ('IRP'). Thereafter, Hon'ble NCLT, Mumbai Bench has passed an order dated 29.04.2024 (Order received on 09.05.2024), for the replacement of Resolution Professional and appointed Mr. Gajesh Labhchand Jain (Registration no. IBBI/IPA-001/IP-P-01697/2019-2020/12588) as Resolution Professional ("RP") under the Insolvency and Bankruptcy Code, 2016 ("Code") in matter of Corporate Insolvency Resolution Process of M/s Compuage Infocom Limited.

The Companies Act 2013 (as amended) (The "Act") under section 134(1), states that the financial statement shall be approved by the Board of Directors and thereafter signed on behalf of the Board by the chairperson of the Company where he is authorized by the Board or by 2 Directors out of which 1 shall be Managing Director, if any, and the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Company Secretary of the Company, wherever they are appointed, for submission to the Auditor for his report thereon. Further Section 134(5) of the Act, mentions following points under the purview of the Directors' responsibility:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company had laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively.

These financial statements of the company for the year ended 31.03.2023 pertains to period prior to commencement of the CIRP on 02.11.2023. All the directors of the Company except two directors, and Company Secretary had resigned from their position in the company prior to commencement of CIRP. Upon commencement of the CIRP, the powers of the Board of Directors of the company stand suspended and are exercised by the Resolution Professional.

These financial statements have been signed by the Resolution Professional (RP) while exercising the powers of the Board of Directors of the Company which has been conferred upon him in terms of the provisions of the Section 17 of the Insolvency & Bankruptcy Code 2016. The Resolution Professional have signed these statements in good faith, solely for the purpose of compliance and discharging his duty under the Corporate Insolvency Resolution Process, governed by the Insolvency & Bankruptcy Code 2016. Since these financial statements belong to the period when the affairs of the company were being managed and governed by the erstwhile Board of Directors of the Company, these financial statements have been prepared with the same "basis of preparation" as adopted by the erstwhile Board of Directors as enumerated upon the Board under Section 134(5), of the Companies Act, 2013 and related regulations, while highlighting/addressing any material departures as per the current conditions and



events which occurred subsequent to the balance sheet date. While signing the aforesaid financial statements, the Resolution Professional (RP) has relied on the representation, statements and information provided by Suspended Management of the Company.

#### **A. Significant Accounting Policies:**

##### **i) Basis of Preparation:**

###### **(a) Compliance with Ind AS**

These financial statements are the separate financial statements of the Company prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended, hereinafter referred to as the Ind AS, and other relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

###### **(b) Use of Estimates:**

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

###### **(c) Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

###### **(d) Historical Cost Convention:**

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

##### **ii). Current/ Non-Current classification:**





Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- ii. The asset is intended for sale or consumption;
- iii. The asset/liability is held primarily for the purpose of trading;
- iv. The asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months.

**iii).Tangible Assets /Property, plant and equipment:**

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

**iv).Depreciation on tangible fixed assets:**

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and accordingly, accounted for prospectively.

**v).Intangible Assets:**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

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Internally generated intangibles are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life i.e. 3 years based on management assessment and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognised in the Statement of Profit and Loss.

**vi).Derecognition:**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss.

**vii).Impairment of non-financial assets – property plant and equipment and intangible assets:**

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there are any indications of impairment based on internal / external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

Goodwill, intangible assets having indefinite useful life and intangible assets currently not in use by the Company are tested for impairment annually and also whenever there are indicators of impairments.

Reversal of impairment of Goodwill is not recognized.

**viii).Lease:**

**The Company as a Lessee**

The Company's lease asset classes primarily consist of leases for office premises for its branches at various locations. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease





arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. As all the leases are short-term leases or low value leases, the Company has not recognized any right-of-use asset and corresponding lease liability for any of the lease arrangements in which it is a lessee during the year.

#### The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### Transition

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019. However, as all the leases are short-term leases or low value leases, the Company has not recognized any right-of-use asset and corresponding lease liability for any of the lease arrangements during the year.

#### ix).Borrowing costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing and exchange differences arising from foreign currency borrowing to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### x).Revenue Recognition:

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates by the Company.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as Sales Tax, VAT and GST are excluded from revenue.

The company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement. Accumulated experience is used to estimate and provide for discounts and returns. No element of financing is deemed present as sales are made with a credit term which is consistent to market practice.

#### *Sale of products:*





Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.

***Rendering of services:***

Revenue from product support services are recognized once the service is provided and the invoice is raised and are net of applicable taxes.

***Interest:***

Interest income from debt instruments is recognised using the effective interest rate method.

***Dividend:***

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**xi).Foreign Currency Transactions /translations:**

Functional and presentation Currency:

Items included in the financial statement of the company are measured using the currency of the primary economic environment in which the company operates (functional currency). The Financial statements of the company are presented in Indian Currency, which is also the functional currency of the company.

**Initial Recognition:**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Foreign exchange gain or loss resulting from the settlement of such transactions and from translation of monetary assets or liability denominated in foreign currencies at the year-end exchange rate are generally recognized in the profit and loss account except that they are deferred in equity if they relate to qualifying cash flow hedges.

**Measurement of foreign currency items at reporting date:**

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in Other Comprehensive Income.



**xii). Derivative financial instruments and hedge accounting:**

The Company enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost.

The Company is not following hedge accounting. Consequently all derivative instruments are recognised and measured at Fair Value through Profit and Loss.

**xiii). Inventories:**

(a) Stock of goods traded is valued at lower of cost and net realizable value. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The costs are determined on a weighted average basis.

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

**xiv). Investments and other financial assets:**

**Classification:**

The Company classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI), or through Profit or Loss), and
- ii) Those measured at amortised cost.

The classification depends on the business model of the entity for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Profit or Loss or Other Comprehensive Income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income (OCI)

**Initial recognition and measurement:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.





### **Subsequent measurement:**

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through Profit or Loss (FTVPL)} or,
- ii) Amortised cost.

#### **Debt instruments:**

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

#### **Measured at amortised cost:**

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

#### **Measured at fair value through Other Comprehensive Income (FVOCI):**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain / (loss) previously recognized in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

#### **Measured at Fair Value through Profit or Loss: (FVTPL)**

A financial asset not classified as either amortised cost or FVOCI, is classified as FTVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

#### **Equity instruments:**

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture Company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### **Investments in Subsidiary Companies, Associate Companies and Joint Venture companies:**



Investments in Subsidiary Companies, Associate Companies and Joint Venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in Subsidiary Companies, Associate Companies and Joint Venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

#### **Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, and bank balance.
- ii) Trade Receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

#### **De-recognition:**

A financial asset is de-recognized only when the Company

- i) has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

#### **Financial liabilities:**

##### **i) Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### **ii) Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

##### **iii) Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.





#### **iv) De-recognition**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

#### **Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### **xv).Retirement and other employee benefits:**

##### **Short term employee benefits:**

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex gratia, medical benefits etc. are recognized in the year in which the employees render the related service and are presented as current employee benefit obligations within the balance sheet.

##### **Defined contribution plan:**

Contributions to defined contribution schemes such as contribution to provident fund, Employees State Insurance Corporation, National Pension Scheme are charged as an expense to the statement of profit and loss on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the company has no further defined obligations beyond the monthly contributions.

The Liability or Asset, is recognized in the Balance sheet in respect of Gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method (PUCM).

#### **xvi).Income Taxes:**

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date



Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognized if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit / (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in equity, respectively.

**xvii).Cash and cash equivalents:**

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term deposits (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**xviii).Segment reporting:**

The Company operates only in one reportable segment.

**xix).Earnings per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity share outstanding during the period.

For the purpose of calculating Diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**xx). Provisions and contingent liabilities:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate





that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.



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**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lakh unless otherwise stated)

**NOTE 2 : PROPERTY, PLANT AND EQUIPMENT**

Particulars	Buildings	IT Equipment	Vehicles	Office Equipment	Furniture and Fixture	Total Property, plant and equipment	Intangible Assets
<b>Gross carrying amount</b>							
As at April 1st, 2021	4,291.62	1,839.77	117.29	789.93	1,607.79	8,646.40	11.99
Additions	-	468.07	-	12.47	3.90	484.44	-
Disposals	-	-	-	-	-	-	-
As at April 1st, 2022	4,291.62	2,307.84	117.29	802.40	1,611.69	9,130.84	11.99
Additions	-	315.43	-	10.39	-	325.82	-
Disposals	-	-	-117.29	-	-	(117.29)	-
As at March 31, 2023	4,291.62	2,623.27	-	812.79	1,611.69	9,339.37	11.99
<b>Depreciation   Amortisation</b>							
As at March 31, 2021	327.87	1,739.88	84.58	626.94	1,155.78	3,935.05	11.25
Charge For the year	75.39	68.28	6.76	61.82	128.35	340.60	0.09
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	403.26	1,808.16	91.34	688.76	1,284.13	4,275.65	11.34
Charge For the year	75.39	102.64	6.71	53.17	69.71	307.62	0.09
Disposals	-	-	(98.05)	-	-	(98.05)	-
upto March 31, 2023	478.65	1,910.80	-	741.93	1,353.84	4,485.22	11.43
<b>Net carrying amount</b>							
As at 31-03-2022	3,888.36	499.68	25.95	113.64	327.56	4,855.19	0.65
As at 31-03-2023	3,812.97	712.47	-	70.86	257.85	4,854.15	0.56

1. The company has hypothicated Buildings to avail the Loan from the Bank.



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**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lakh unless otherwise stated)

**NOTE 3 : Non Current Investments**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Investment in equity instruments of Subsidiary company measured at cost 1,50,000 Ordinary Shares of Compuage Infocom Pte.Ltd - Singapore	82.16	75.90
<b>Sub-total (a)</b>	<b>82.16</b>	<b>75.90</b>
a) Investment in equity instruments of Other Company measured at FVTPL - Unquoted 190416 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of ₹30 Each. (Previous year: 274416 Equity Shares of Rs. 30 each).	57.12	82.32
<b>Sub-total (b)</b>	<b>57.12</b>	<b>82.32</b>
<b>Total</b>	<b>139.28</b>	<b>158.22</b>

**NOTE 4 : Other Non Current Financial Assets**

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposits with Banks, with maturity beyond 12 months	-	448.05
<b>Total</b>	<b>-</b>	<b>448.05</b>

**NOTE 5 : Inventories**

Particulars	As at March 31, 2023	As at March 31, 2022
Stock in trade	16,735.38	43,697.63
<b>Total</b>	<b>16,735.38</b>	<b>43,697.63</b>

**NOTE 6 : Trade Receivables**

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	8,494.53	52,083.26
Unsecured, considered Doubtful (Not provided for)	46,103.29	-
<b>Total</b>	<b>54,597.82</b>	<b>52,083.26</b>

**Ageing for trade receivables outstanding as at 31st March 2023**

Particulars	Outstanding for following periods from due dates of payment						Total
	Not due	Less than 6 months	6 months-1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables-considered good.	8,494.53	-	-	-	-	-	8,494.53
Undisputed trade receivables-which have significant increase in credit risk .	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired.	-	-	-	-	-	-	-
Disputed trade receivables-considered good.	-	-	-	-	-	-	-
Disputed trade receivables-which have significant increase in credit risk .	4,895.38	38,166.53	651.17	1,267.56	976.33	146.32	46,103.29
Disputed trade receivables-credit impaired.	-	-	-	-	-	-	-
Less: Provision fordoubtfull debts-credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>13,389.91</b>	<b>38,166.53</b>	<b>651.17</b>	<b>1,267.56</b>	<b>976.33</b>	<b>146.32</b>	<b>54,597.82</b>

**Ageing for trade receivables outstanding as at 31st March 2022**

Particulars	Outstanding for following periods from due dates of payment						Total
	Not due	Less than 6 months	6 months-1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables-considered good.	24,858.24	23,883.89	867.49	552.36	22.84	85.77	50,270.59
Undisputed trade receivables-which have significant increase in credit risk .	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired.	-	-	-	-	-	-	-
Disputed trade receivables-considered good.	-	426.76	685.42	644.16	0.38	55.95	1,812.67
Disputed trade receivables-which have significant increase in credit risk .	-	-	-	-	-	-	-
Disputed trade receivables-credit impaired.	-	-	-	-	-	-	-
Less: Provision fordoubtfull debts-credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>24,858.24</b>	<b>24,310.65</b>	<b>1,552.91</b>	<b>1,196.52</b>	<b>23.22</b>	<b>141.72</b>	<b>52,083.26</b>





**NOTE 7 : Cash and Cash Equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Bank balances		
In current accounts	1,196.68	431.38
In unpaid dividend accounts	16.35	19.34
Cash on hand	20.58	14.54
Fixed deposits with original maturity less than 3 months	-	41.95
<b>Total</b>	<b>1,233.61</b>	<b>507.21</b>

**NOTE 8 : Other Bank Balances**

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits with remaining maturity less than 12 months	8,047.05	7,958.35
<b>Total</b>	<b>8,047.05</b>	<b>7,958.35</b>

**NOTE 9 : Current Loans**

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to employees	19.10	22.13
<b>Total</b>	<b>19.10</b>	<b>22.13</b>

**NOTE 10 : Other Current Financial Assets**

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits other than Banks	895.00	735.00
Security deposits	239.38	370.99
Interest accrued	76.35	69.00
<b>Total</b>	<b>1,210.73</b>	<b>1,174.99</b>

**NOTE 11 : Current Tax Assets (Net)**

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provisions)	280.84	-
<b>Total</b>	<b>280.84</b>	<b>-</b>

**NOTE 12 : Other Current Assets**

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	97.15	478.10
Advance to staff	2.64	1.65
Balances with Government authorities	6,546.80	6,325.62
Miscellaneous Expenses (to the extent not written of)	58.59	-
<b>Total</b>	<b>6,705.18</b>	<b>6,805.37</b>





**NOTES TO THE FINANCIAL STATEMENTS**  
(₹ in Lakh unless otherwise stated)

**NOTE 13 : EQUITY SHARE CAPITAL**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Authorised</b>		
9,62,70,000 Equity shares of ₹2.00 each	1,925.40	1,925.40
46,65,600 Preference shares of ₹0.10 (Ten paise) each	4.67	4.67
1,10,00,000 Preference shares of ₹10.00 each	1,100.00	1,100.00
<b>Total</b>	<b>3,030.07</b>	<b>3,030.07</b>
<b>Issued, subscribed and fully paid-up</b>		
8,57,68,064 Equity shares of ₹2.00 each fully paid (Previous Year : 6,49,75,806 Equity shares of ₹2.00 each fully paid )	1,715.36	1,299.52
<b>Total</b>	<b>1,715.36</b>	<b>1,299.52</b>

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	No. in lakh	₹ In lakh	No. in lakh	₹ In lakh
At the beginning of the Period	649.76	1,299.52	649.76	1,299.52
Add : Preferential allotment-Rights Issue	207.92	415.84	-	-
<b>Outstanding at the end of the period</b>	<b>857.68</b>	<b>1,715.36</b>	<b>649.76</b>	<b>1,299.52</b>

**Terms / rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹2.00 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by shareholders.

**c) Details of Shareholders holding more than 5% of Equity shares:**

Name of Shareholder	As at		As at	
	March 31, 2023		March 31, 2022	
	Holding %	No. in lakh	Holding %	No. in lakh
1. Atul Harkishandas Mehta	20.35%	174.54	23.02%	149.54
2. Bhavesh Harkishandas Mehta	20.35%	174.54	23.02%	149.54
3. Ajay Harkishandas Mehta	1.95%	16.69	12.30%	79.94

**d) Disclosure of shareholding of promoters:**

Disclosure of shareholding of promoters as at 31st March 2023

Name of Shareholder	As at		As at	
	March 31, 2023		March 31, 2022	
	Holding %	No. in lakh	Holding %	No. in lakh
1. Atul Harkishandas Mehta	20.35%	174.54	23.02%	149.54
2. Bhavesh Harkishandas Mehta	20.35%	174.54	23.02%	149.54
3. Ajay Harkishandas Mehta	1.95%	16.69	12.30%	79.94

Disclosure of shareholding of promoters as at 31st March 2022

Name of Shareholder	As at		As at	
	March 31, 2022		March 31, 2021	
	Holding %	No. in lakh	Holding %	No. in lakh
1. Atul Harkishandas Mehta	23.02%	149.54	23.02%	149.54
2. Bhavesh Harkishandas Mehta	23.02%	149.54	23.02%	149.54
3. Ajay Harkishandas Mehta	12.30%	79.94	12.30%	79.94

**NOTE 14 : OTHER EQUITY**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
a) Capital reserve	134.84	134.84
b) Capital redemption reserve	129.72	129.72
c) Securities premium reserve	7,411.41	3,668.80
d) General reserve	35.36	35.36
<b>e) Retained Earnings:</b>		
Balance at the beginning of the year	19,458.37	16,913.44
Add: Profit for the year	(19,981.06)	2,676.98
Add: Other Comprehensive Income	(65.14)	(2.10)
Less: Dividend on Equity shares	(129.95)	(129.95)
Balance as at the end of the year	(717.78)	19,458.37
<b>Total</b>	<b>6,993.55</b>	<b>23,427.09</b>



**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lakh unless otherwise stated)

**NOTE 15 : Non Current Borrowings**

Particulars	As at 31-03-2023	As at 31-03-2022
Term loans from banks, secured	-	4,136.71
Term loans from others, unsecured	-	643.10
<b>Total</b>	-	<b>4,779.81</b>

**NOTE 16 : Non Current Provisions**

Particulars	As at 31-03-2023	As at 31-03-2022
Provision for gratuity	-	206.91
<b>Total</b>	-	<b>206.91</b>

**NOTE 17:- CURRENT AND DEFERRED TAX**

The major components of income tax expense for the years ended March 31, 2023, March 31, 2022 are:

a) Income tax expense

Particulars	As at 31-03-2023	As at 31-03-2022
<b>i) Current tax</b>		
Current tax on profits for the year	5.48	954.53
Adjustments for current tax of prior period	-	-
<b>Total current tax expense</b>	<b>5.48</b>	<b>954.53</b>
<b>ii) Deferred tax</b>		
(Decrease)   Increase in deferred tax liabilities	-421.77	34.70
Decrease   (Increase) in deferred tax assets	-	-
<b>Total deferred tax expense (benefit)</b>	<b>(421.77)</b>	<b>34.70</b>
<b>Income tax expense</b>	<b>(416.29)</b>	<b>989.23</b>

b) Current tax liabilities (net)

Particulars	As at 31-03-2023	As at 31-03-2022
Provision for tax (net of taxes paid)	-	169.04
<b>Total</b>	-	<b>169.04</b>



c) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

Particulars	As at 31-03-2023	(Charged)   Credited	As at 31-03-2022	(Charged)   Credited
Property, plant and equipment & Intangible assets p&l	-	(466.52)	466.52	35.12
Fair valuation of term loan p&l	-	-	-	(0.42)
Remeasurment of Defined Employee Benefit Plans-OCI	-	(22.30)	22.30	4.48
Foreign Currency Translation difference-OCI	-	67.05	(67.05)	(5.19)
<b>Net deferred tax (asset)   liability</b>	-	<b>(421.77)</b>	<b>421.77</b>	<b>33.99</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lakh unless otherwise stated)

**NOTE 18 : Current Borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Cash credit from banks	35,047.20	29,758.31
Current Maturities of long term debt	8,083.19	4,498.12
Unsecured		
Loan from related parties	3,265.40	4,132.40
Loan from others	3,606.00	11,717.41
<b>Total</b>	<b>50,001.79</b>	<b>50,106.24</b>

The company has defaulted on repayment of loans and interest during the year.

**NOTE 19 : Trade Payables**

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	33,392.39	33,970.80
<b>Total</b>	<b>33,392.39</b>	<b>33,970.80</b>

**Ageing for trade payables outstanding as at 31st March 2023**

Particulars	Outstanding for following periods from due dates					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	33,392.39	-	-	-	33,392.39
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>33,392.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,392.39</b>

**Ageing for trade payables outstanding as at 31st March 2022**

Particulars	Outstanding for following periods from due dates					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	24,828.69	9,142.11	-	-	-	33,970.80
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>24,828.69</b>	<b>9,142.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,970.80</b>

**NOTE 20 : Other Current Financial Liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid dividends	16.38	19.34
Amount due to subsidiary company	250.78	200.01
Unclaimed Deposits	-	127.50
Security Deposits	10.00	10.00
Other payables	957.61	1,159.21
<b>Total</b>	<b>1,234.77</b>	<b>1,516.06</b>

**NOTE 21 : Other Current Liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues	134.98	923.56
Advances from customers	50.33	860.25
<b>Total</b>	<b>185.31</b>	<b>1,783.81</b>

**NOTE 22 : Current Provisions**

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity	300.53	30.00
<b>Total</b>	<b>300.53</b>	<b>30.00</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
(₹ in Lakh unless otherwise stated)

**NOTE 23 : REVENUE FROM OPERATIONS**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(a) Sale of Products		
Computer Components & Others	372,618.40	419,516.50
<b>Total (a)</b>	<b>372,618.40</b>	<b>419,516.50</b>
(b) Sale of services		
Product support services	1,330.07	1,233.68
<b>Total (b)</b>	<b>1,330.07</b>	<b>1,233.68</b>
<b>Total</b>	<b>373,948.47</b>	<b>420,750.18</b>

**NOTE 24 : OTHER INCOME**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Interest from bank deposits	469.93	374.15
Interest from others	93.09	1,253.80
Rent Income	35.92	14.28
Miscellaneous income	3.77	2.73
<b>Total</b>	<b>602.71</b>	<b>1,644.96</b>

**NOTE 25 : PURCHASE OF STOCK-IN-TRADE**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Computer Components & Others	342,344.37	414,912.46
<b>Total</b>	<b>342,344.37</b>	<b>414,912.46</b>

**NOTE 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(a) Stocks at the end of the year		
Stock-in-trade	16,735.38	43,697.63
<b>Total (a)</b>	<b>16,735.38</b>	<b>43,697.63</b>
Less :		
(b) Stocks at beginning of the year		
Stock-in-trade	43,697.63	31,938.80
<b>Total (b)</b>	<b>43,697.63</b>	<b>31,938.80</b>
<b>(Increase)   Decrease in stocks</b>	<b>26,962.25</b>	<b>(11,758.83)</b>

**NOTE 27 : EMPLOYEE BENEFIT EXPENSES**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Salaries, wages and bonus	3,210.91	3,298.95
Contribution to provident and other funds	60.86	71.33
Gratuity	116.98	58.13
Staff welfare	55.16	48.44
<b>Total</b>	<b>3,443.91</b>	<b>3,476.85</b>

**NOTE 28 : FINANCE COSTS**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Interest on borrowings (at amortised cost)	7,379.13	7,410.19
Interest on Preference Shares	-	32.80
<b>Total</b>	<b>7,379.13</b>	<b>7,442.99</b>





## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh unless otherwise stated)

### NOTE 29 : OTHER EXPENSES

Particulars	As at March 31, 2023	As at March 31, 2022
Rent and compensation	757.73	709.63
Power & fuel	87.42	34.29
Rates and taxes	-	47.75
Insurance	200.24	354.65
<u>Payments to the statutory auditors:</u>		
a) Audit fees	16.50	20.42
b) Tax matters	2.00	2.00
c) Other matters	1.50	1.50
Expenditure on Corporate Social Responsibility	16.00	65.85
Net exchange rate difference-Loss	10.83	48.15
Miscellaneous expenses	4,751.04	3,030.53
Impairment of Debtors	8,392.70	-
<b>Total</b>	<b>14,235.96</b>	<b>4,314.77</b>

### NOTE 30:- CONTINGENT LIABILITIES

The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as

Particulars	As at 31-03-2023	As at 31-03-2022
<u>Claims against the Company not acknowledged as debts</u>		
Disputed demands in respect of VAT/Custom Duty	1,334.72	1,202.44
Disputed demands in respect of Income Tax	6,554.45	-
(Based on legal opinion, the Company does not feel any liability will arise and hence no provision has been made in the accounts.)		

The Company does not envisage any likely reimbursements in respect of the above.

The above matters are currently being considered by the tax authorities and the Company expects the judgment will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement | decision pending with tax authorities. The potential undiscounted amount of total payments for taxes that the Company could be required to make if there was an adverse decision related to these disputed demands of regulators as of the date reporting period ends are as illustrated above.



**NOTE 31:- EMPLOYEE BENEFIT OBLIGATIONS**

**Funded Scheme**

**a) Defined Benefit Plans:**

**Gratuity**

The actuarial valuation of plan assets and the present value of the defined benefit obligation for the Gratuity was carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

Based on Actuarial valuation obtained the following table sets out the status of Gratuity plan and amount recognised in the companies financial statements as at 31.03.2022.

Due to the circumstances as stated in Note 1, the company has provided for Gratuity of all eligible employees as payable as on 31.03.2023 at the time of seperation.

(Rs.in Lakhs)

A) Amount Recognized in Statement of Financial Position at Period-End	As at March 31, 2022
Present Value of Funded Defined Benefit Obligation	248.51
Fair value of Plan Assets	(11.60)
<b>Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position</b>	<b>236.91</b>

B) Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End	As at March 31, 2022
Service Cost	41.16
Interest Cost on DBO (A)	18.92
Interest Income Plan Assets (B)	(1.95)
<b>Net Interest Cost (A) + (B)</b>	<b>16.97</b>
Past Service Cost	-
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss</b>	<b>58.13</b>

C) Current / Non-Current Bifurcation	As at March 31, 2022
Current Liability	30.00
Non-Current Liability	206.91
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>236.91</b>

D) Actual Return on Plan Assets	As at March 31, 2022
Interest Income on Plan Assets	1.95
Remeasurements on Plan Assets	(5.85)
<b>Actual Return on Plan Assets</b>	<b>(3.90)</b>

E) Analysis of Amounts Recognized in Other Comprehensive (Income) / Loss at Period-End	As at March 31, 2022
Amount recognized in OCI - Beginning of the period	(70.81)
<b>Remeasurements due to :</b>	
Effect of change in financial assumptions (A)	(11.01)
Effect of experience adjustments (B)	(12.64)
Actuarial (Gains) / Losses (A) + (B)	(23.65)
Return on Plan Assets (excluding interest)	5.85
Total remeasurements recognized in OCI	(17.80)
<b>Amount recognized in OCI - End of the period</b>	<b>(88.61)</b>

F) Total Defined Benefit Cost / (Income) included in Profit & Loss and Other Comprehensive Income	As at March 31, 2022
Amount recognized in Profit & Loss, End of Period	58.13
Amount recognized in OCI, End of Period	(17.80)
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>40.33</b>

G) Change in Defined Benefit Obligation during the Period	As at March 31, 2022
Defined Benefit Obligation, Beginning of the Period	230.16
Net Current Service Cost	41.16
Interest Cost on DBO	18.92
Actuarial (Gains) / Losses	(23.64)
Benefits Paid	(18.10)
<b>Defined Benefit Obligation, End of Period</b>	<b>248.50</b>





<b>H) Change in Fair value of Plan Assets during the Period</b>	<b>As at March 31, 2022</b>
Fair Value of Plan Assets, Beginning of the Period	15.60
Interest Income Plan Assets	1.95
Actual Company Contributions	18.00
Actuarial Gains / (Losses)	(5.85)
Benefits Paid	(18.10)
<b>Fair value of Plan Assets, End of Period</b>	<b>11.60</b>

<b>I) Reconciliation of Balance Sheet Amount</b>	<b>As at March 31, 2022</b>
Balance Sheet (Asset) / Liability, Beginning of the Period	214.57
Total Charge/(Credit) Recognised in Profit and Loss	58.13
Total Remeasurements Recognized in Other Comprehensive (Income) / Loss	(17.80)
Employer Contributions	(18.00)
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>236.90</b>

<b>J) Financial Assumptions Used to Determine the Defined Benefit Obligation</b>	<b>As at March 31, 2022</b>
Discount Rate	7.50%
Salary Escalation Rate	5.00%

<b>K) Financial Assumptions Used to Determine the Profit &amp; Loss Charge</b>	<b>As at March 31, 2022</b>
Discount Rate	7.05%
Salary Escalation Rate	5.00%
Expected Return on Plan Assets	7.05%

<b>L) Demographic Assumptions Used to Determine the Defined Benefit Obligation</b>	<b>As at March 31, 2022</b>
<b>Withdrawal Rate:</b>	
Upto age 30	3.00%
Age 31 to 40	2.00%
Above Age 40	1.00%
<b>Mortality Rate</b>	IALM (2012-14)
<b>Retirement Age</b>	58 years

<b>M) Asset Category</b>	<b>As at March 31, 2022</b>
Insurer Managed Funds	11.60
<b>Total</b>	<b>11.60</b>

<b>J) Expected cashflows for the next 10 years</b>	<b>As at March 31, 2022</b>
Year-2020	-
Year-2021	-
Year-2022	-
Year-2023	52.53
Year-2024	17.97
Year-2025	4.37
Year-2026	4.61
Year-2027	9.94
Year-2027 to 2031	-
Year-2028 to 2032	85.08

<b>K) Defined Benefit Obligation - Sensitivity Analysis</b>	<b>As at March 31, 2022</b>
Discount Rate + 100 basis points	226.83
Discount Rate - 100 basis points	274.18
Salary Escalation Rate + 100 basis points	272.05
Salary Escalation Rate - 100 basis points	227.63
Attrition Rate + 100 basis points	253.50
Attrition Rate - 100 basis points	242.75

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## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in Rs. in Lakh unless otherwise stated)

### Note 32

#### Segment Reporting

The Company operates only in one reportable segment.

### Note 33

#### Lease arrangements

The Company procures office premises for its branches under operating lease agreements that are renewable on a periodic basis at the option of both lessor and lessee. The initial tenure of the lease is below 12 months. The lease rentals recognised in the Statement of Profit and Loss for the year are Rs.757.73 lakh (previous year Rs.709.63 lakh). The contingent rent recognised in the Statement of Profit and Loss for the year is Rs.nil (previous year Rs.nil).

### NOTE 34- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE

Particulars	2022-23	2021-22
Face value of equity share (in Rs.)	2.00	2.00
Weighted average number of equity shares outstanding (in Nos)	71,185,001	64,975,806
Profit for the year (Rs. in Lakh)	(20,046.20)	2,674.88
Weighted average earnings per share (basic and diluted) (in Rs.)	(28.16)	4.12

### NOTE 35 Capital management

#### Risk Management

The primary objective of Capital Management of the Company is to maximise Shareholder value. The Company monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of Capital Management, the Company considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt less cash and cash equivalents & other Bank balances.

Particulars	As at 31/03/2023	As at 31/03/2022
Total debt	50,001.79	50,387.93
Less: Cash and cash equivalents & Other Bank balances	9,280.66	8,465.56
<b>Net Debt</b>	<b>40,721.13</b>	<b>41,922.37</b>
Total equity	8,708.91	24,726.61
<b>Debt-Equity ratio</b>	<b>4.68</b>	<b>1.70</b>





**NOTE 36 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:**

**A. Relationships –**

**Category I:**

**Subsidiaries:**

Compuage Infocom (S) Pte Ltd

**Category II: Jointly Controlled Entity: NA**

**Category III:**

**Key Management Personnel (KMP)**

Atul H.Mehta	Executive Director
Bhavesh H.Mehta	Executive Director
Sunil Mehta (Resigned w.e.f. 28-02-2022)	Chief Financial Officer
Anmol Jolly (Resigned w.e.f. 27-03-2022)	Company Secretary
Hasti Pala (w.e.f. 29-03-2022 to 30-03-2023)	Company Secretary

**Non-Executive Directors**

G.S. Ganesh (Resigned w.e.f. 14-03-2023)  
 Vijay Agarwal (Resigned w.e.f. 29-03-2023)  
 Fatima Hussain (Resigned w.e.f. 14-03-2023)  
 Hetal Kudecha (w.e.f. 07-02-2022 to 29-03-2023)  
 Virendra Bhatt (w.e.f. 25-02-2021 to 02-05-2023)

**Category IV:**

**Others (Close family member of KMP and Entities in which the KMP or close family member of KMP have significant influence)**

Falguni A. Mehta	Wife of Atul H. Mehta
Forum B. Mehta	Wife of Bhavesh H. Mehta
Ajay H. Mehta	Brother of Atul H. Mehta and Bhavesh H. Mehta
Trillizo Holdings Ltd.	Entity in which close family member of KMP has significant influence
Pristine Care Products Pvt. Ltd.	Entity in which close family member of KMP has significant influence

**Transactions with the related parties:**

Particulars of transactions	For the year ended 31/03/2023	For the year ended 31/03/2022
<b>Interest Paid to:</b>		
Atul H.Mehta	60.41	29.21
Bhavesh H.Mehta	32.50	46.79
Falguni A. Mehta	2.66	3.85
Forum B. Mehta	4.01	5.81
Ajay H. Mehta	19.12	16.38
Nisha S. Mehta	-	0.02
Sunil M. Mehta HUF	-	0.21
Sunil M. Mehta	-	0.54



<b>Remuneration Paid to:</b>		
Atul H.Mehta	120.00	120.00
Bhavesh H.Mehta	120.00	120.00
Anmol Jolly (w.e.f. 01-10-2020 to 28-03-2022 )	-	8.12
Sunil Mehta (Resigned w.e.f. 28-02-2022)	-	71.99
Hasti Pala (w.e.f. 29-03-2022 to 30-03-2023)	4.19	0.05
<b>Sitting Fees to Non-Executive Directors</b>		
Vijay Agarwal (Resigned w.e.f 29-03-2023)	6.00	6.00
Fatima Nasab (Resigned w.e.f 14-03-2023)	-	5.00
Virendra Bhatt (Resigned w.e.f 02-05-2023)	6.00	7.00
Hetal Kudecha (w,e,f 07-02-2022 & Resigned w.e.f 29-03-2023)	7.00	2.00
<b>Rent Paid to:</b>		
Trillizo Holdings Ltd.	15.00	15.00
<b>Printing &amp; Stationery Paid to:</b>		
Pristine Care Products Pvt. Ltd.	-	0.53

**Balances due from/to the related parties:**

Particulars of transactions	As at 31/03/2023	As at 31/03/2022
<b>Outstanding receivables:</b>		
Trillizo Holdings Ltd.	-	138.00
Pristine Care Products Pvt. Ltd.	-	75.75

**Outstanding payables:**

Atul H.Mehta	1,714.24	1,496.53
Bhavesh H.Mehta	1,551.16	1,371.16
Compuage Infocom (S) Pte Ltd	250.78	200.01
Falguni A. Mehta	-	44.56
Forum B. Mehta	-	67.23
Ajay H. Mehta	-	1,152.92

**Loan Taken from :**

Atul H.Mehta	880.00	1,358.00
Bhavesh H.Mehta	358.00	1,030.00

**Liabilities Taken over :**

Atul H.Mehta	1,050.00	-
Bhavesh H.Mehta	1,050.00	-

**Loan Repaid to :**

Atul H.Mehta	1,712.29	1,206.00
Bhavesh H.Mehta	1,228.00	1,335.00
Forum B. Mehta	67.23	-
Falguni A. Mehta	44.56	-
Ajay H. Mehta	1,152.92	-



**NOTE 37: Outstanding dues of micro enterprise and small enterprise**

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.

**NOTE 38:**

Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2023 is ₹13,832.10 Lakhs (Previous year ₹ 17,654.65 Lakh).

**NOTE 39: Foreign Currency transactions****Expenditure in Foreign currency:**

Particular	₹ in lakh)	
	Current Period	Previous Period
Travelling	-	2.37

**NOTE 40: CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE**

Particular	Current Period	Previous Period
a) Amount required to be spend by the company during the year	67.77	64.81
b) Actual amount spent by the company during the year	16.00	65.85
i) Construction/acquisition of any asset		-
ii) On purposes other than (i) above		-
Contribution to NGO's	16.00	65.10
Contribution to Companies own projects		-
Total amount spent in cash	-	0.75
c) Short fall at the end of the year	(51.77)	-
d) Total of the previos years shortfall	-	-
e) Reason of shortfall	Liquidity issue	NA



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NOTE 41: Ratios					
Particulars	Numerator	Denominator	Current Period	Previous Period	Variance
Current Ratio (times)	Current Assets	Current Liabilities	1.04	1.28	-18.75%
Debt Equity Ratio (times) <sup>(a)</sup>	Total Debt	Shareholder's Equity	5.74	2.22	158.56%
Debt Service Coverage Ratio (times) <sup>(b)</sup>	Earning available for Debt Service	Debt Service	-1.04	0.92	-213.04%
Return of Equity (ROE) (%) <sup>(c)</sup>	Net Profit after Taxes	Average Shareholders Equity	-119.52%	11.41%	-1147.50%
Inventory Turnover Ratio (times)	COGS	Average Inventory	12.22	10.66	14.63%
Trade Receivables Turnover Ratio (times)	Revenue from Operations	Average Trade Receivable	7.01	7.82	-10.36%
Trade Payables Turnover Ratio (times)	COGS	Average Trade Payables	10.96	13.82	-20.69%
Net Capital Turnover Ratio (times) <sup>(d)</sup>	Revenue	Average Working Capital	26.35	17.12	53.89%
Net Profit Ratio (%) <sup>(e)</sup>	Net Profit after Taxes	Revenue from Operations	-5.34%	0.64%	-934.37%
Return on Capital Employed (%) <sup>(f)</sup>	Profit before Interest & Taxes	Total Assets-Current Liabilities	-146.32%	36.86%	-496.92%
(a)- Reduction in shareholders equity, due to loss has resulted in an increase in this ratio.					
(b)- Loss during the year has resulted in decline in this ratio.					
(c)- Loss during the year has resulted in decline in this ratio.					
(d)- Reduction in average working capital, have resulted in reduction in ratio.					
(e)- Loss during the year has resulted in decline in this ratio.					
(f)- Loss during the year has resulted in decline in this ratio.					





**Note 42 Going Concern:**

The management of Compuage Infocom Limited had prepared and reviewed the financial statements for the year ended 31<sup>st</sup> March 2023. These financial statements are presented with assumption that company will continue its operation as going concern and it has ability to meet its financial obligation and liabilities in normal course of business.

As outlined in the accompanying financial statement and related notes, the company has faced significant challenges during financial year under review. These challenge include liquidity constraints, disruption in supply chain, difficulties in debt collection, and ongoing working capital issue. These factors have collectively resulted in financial stress, as reflected in financial statements.

Management had taken several steps to address these challenges, including seeking support for a restructuring plan from lenders. The plan sought backing from lenders to re-establish Compuage as a going concern. The management remains committed to business revival with lenders support. While these measures are ongoing, their outcome remains uncertain, and there is no assurance that they will fully mitigate the Company's financial constraints.

Pending outcome of CIRP, financial statements of the company have been prepared on going concern basis.



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**Note 43**

As mentioned in note 42 above, the Company was admitted under Corporate Insolvency Resolution Process, vide Order No CP (IB) 329/MB/2023 dated 02.11.2023 as part of the Corporate Insolvency Process, the Creditors of the Company were called upon to submit their claims to the Interim Resolution Professional (IRP) in terms of the applicable provisions of the Insolvency & Bankruptcy Code, 2016 (IBC). Claim submitted by creditors are being compiled and verified by the IRP and updated status is uploaded on the IBC portal. Based on the last updated list of creditors (version 5) a summary is provided as under.

(Rs.in Lakhs)

Category of Creditor	No. of Claims	Summary of Claims Received	Summary of Claims Admitted	Sum of Under Verification	Amount of Claims under Verification
Secured financial creditors (other than financial creditors belonging to any class of creditors)	9	57,950.71	57,950.71	-	-
Operational creditors (other than Workmen and Employees and Government Dues)	33	54,518.81	52,886.35	-	(1,632.46)
Unsecured financial creditors (other than financial creditors belonging to any class of creditors)	11	9,409.50	4,464.50	(3,265.40)	(1,679.60)
Operational creditors (Government Dues)	5	1,314.81	1,101.02	-	(213.79)
Other creditors, if any, (other than financial creditors and operational creditors)	5	744.41	744.41	-	-
Operational creditors (Employees)	31	104.59	104.59	-	-
<b>Grand Total</b>	<b>94</b>	<b>124,042.84</b>	<b>117,251.59</b>	<b>(3,265.40)</b>	<b>(3,525.84)</b>

The order dated 02.11.2023 imposes moratorium, in accordance with section 14 of the Code, and no interest is serviced during the CIRP period on the Loan outstanding as of the CIRP commencement date. The amount of claim admitted by the IRP may be different from the amount reflecting in the financial statements of the company as on 31.03.2023. Pending final outcome of the CIRP, no adjustments has been made in the financial statement for the differential amount, if any.





*Speed*  
*Reliability*  
*Value Performance*

**COMPUAGE INFOCOM LTD.**

# **24th Annual Report**

**2022-23**

**Consolidated**



# BHOGILAL C. SHAH & CO.

## CHARTERED ACCOUNTANTS

2A, Shree Pant Bhuvan, 1<sup>st</sup> floor, Sandhurst Bridge, Mumbai 400 007.  
Phone : 2361 0939

### PARTNERS :

SNEHAL V. SHAH

B. Com., F.C.A., M.M. (U.S.A.)

SURIL V. SHAH

B. Com., A.C.A., M.B.A. (U.S.A.)

### INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
Compuage Infocom Limited

### Report on the Audit of the Consolidated Financial Statements

#### Disclaimer of Opinion

We were engaged to audit the accompanying consolidated financial statements of Compuage Infocom Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of the Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

#### Basis for Disclaimer of Opinion

- (a) As explained in note 1 to the financial statements, all the directors of the Holding Company except two directors and Company Secretary have resigned from their positions in the Company prior to commencement of the Corporate Insolvency Resolution Process ("CIRP") on 2<sup>nd</sup> November 2023. Upon commencement of the CIRP, the powers of the Board of Directors of the Company stand suspended and are exercised by the Resolution Professional ("RP"). Since these financial statements belong to the period when the affairs of the Holding Company were being managed and governed by the erstwhile Board of Directors of the Holding Company, these financial statements have been prepared with the same "basis of preparation" as adopted by the erstwhile Board of Directors as enumerated upon the Board under Section 134(5), of the Companies Act, 2013 and related regulations, while highlighting/addressing any material departures as per the current conditions and events which occurred subsequent to the balance sheet date. While signing the aforesaid financial statements, the Resolution Professional (RP) has relied on the representation and statements made by existing staff/heads of the departments and accounts, Finance and Tax team of the Company. We have been given to understand that RP has signed the attached financial statements solely for the purpose of compliance and discharging his duty under the CIRP, governed by the Insolvency and Bankruptcy Code, 2016 (the "Code").
- (b) As mentioned in note 43 to the financial statements, pursuant to the commencement of CIRP of the Holding Company under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the RP. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined upon the successful resolution of the Holding Company. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess or short claims or non-receipts of claims for operational and financial creditors. Hence, consequential impact, if any, is currently not ascertainable and we are unable to comment on possible financial impact of the same.
- (c) **Books of Accounts**  
As stated in note 1 to the accompanying standalone financial statements, the books of accounts maintained on SAP are not accessible due to high level of manpower attrition resulting in serious gaps in maintenance of IT systems and records. In the absence of sufficient and appropriate evidence to substantiate the same, we are unable to verify and comment on whether the books of accounts maintained on SAP are accessible





or not and the consequent impact on the standalone financial statements. As such, in the absence of accessibility to books of accounts, we have conducted the audit on the basis of alternate procedures to the extent possible.

(d) **Inventories**

Inventories are being carried at Rs. 16,735.38 lakhs out of which Rs. 2,307.40 lakhs are located at Singapore Branch which is not audited by us. The management was of the view that these inventories continue to remain marketable. However, due to ongoing default in payment to lenders who hold a hypothecation charge on these inventories, certain sale restrictions have been imposed. As most of the inventories remain unsold, the realizable value of the inventories is in doubt. In the absence of sufficient and appropriate evidence to support the management's assessment with respect to realizable value of the inventories, we are unable to comment on whether the inventories are being carried at cost or realizable value, whichever is lower as required by Ind AS 2 and the consequent adjustments, if any, that may be required to the carrying value of the aforesaid inventories.

(e) **Trade Receivables and Provision for Doubtful Debts**

Trade Receivables are being carried at Rs. 54,597.82 lakhs out of which Rs. 1,772.53 lakhs are of Singapore Branch which is not audited by us. Amount of Provision for Expected Credit Loss on Trade Receivables of Rs. 46,103.29 Lakhs has been disclosed in note 6 and not debited to the Profit and Loss Account and has not been reduced from Trade Receivables in the Balance Sheet which is not in accordance with Ind AS. As stated in note 1 due to restrictions imposed by lenders on inventory sales, the Holding Company is currently unable to make further supplies to customers. This disruption in the purchase-sales-collection cycle has posed challenges in debt collection and recovery. The expected realization of the amounts outstanding from customers is uncertain. Further, requests for confirmations had been sent to a sample of debtors. However, no replies were received from them. Due to unavailability of confirmations we are unable to comment on the adjustments, if any, that may be required to the carrying value of the aforesaid Trade Receivables, its Ageing Schedule, the adequacy of Provision for Expected Credit Loss. Further, as the Provision for Expected Credit Loss of Rs. 46,103.29 has been disclosed as a note and not debited to the Profit and Loss Account, the loss has been understated to that extent.

(f) **Fixed Deposits with Banks**

Fixed Deposits with Banks are being carried at Rs. 8,047.05 lakhs. Confirmations from certain banks amounting to Rs. 1,955.20 lakhs are not available. Due to unavailability of confirmations, we are unable to comment on the adjustments, if any, that may be required to the carrying value of the aforesaid Fixed Deposits with Banks.

(g) **Fixed Deposits other than Banks**

Fixed Deposits other than Banks are being carried at Rs. 895.00 lakhs. Confirmations from certain parties amounting to Rs. 830.00 lakhs are not available. Due to unavailability of confirmations, we are unable to comment on the adjustments, if any, that may be required to the carrying value of the aforesaid Fixed Deposits other than Banks.

(h) **Balances with Government Authorities**

Balances with Government Authorities are being carried at Rs. 6,954.45 lakhs out of which Rs. 6,546.80 lakhs pertains to the Holding Company and Rs. 407.65 lakhs pertains to the subsidiary company which is not audited by us. The balance of the Holding Company comprises of VAT paid on account of disputed cases of Rs. 56.64 lakhs, Customs Duty Refund of Rs. 195.42 lakhs, Unjust Enrichment of Rs. 47.82 lakhs and GST Input Credit Available of Rs. 6,246.92 lakhs. The recoverability of VAT Refund, Customs Duty Refund and Unjust Enrichment depends on the outcome of the cases filed with the respective government departments. Availability and Utilization of GST Input Credit depends on the outcome of the CIRP and whether the Holding Company is able make payments to its suppliers and to sell products in the future. Accordingly, we are unable to comment on the adjustments, if any, that may be required to the carrying value of the aforesaid Balances with Government Authorities.

(i) **Current Borrowings**

Current Borrowings are being carried at Rs. 50,535.61 lakhs out of which Rs. 50,001.79 lakhs pertains to the Holding Company and Rs. 533.82 pertains to the subsidiary company which is not audited by us. Confirmations from certain banks and parties amounting to Rs. 5,774.19 lakhs are not available. Due to unavailability of confirmations, we are unable to comment on the adjustments, if any, that may be required to the carrying value of the aforesaid Current Borrowings and corresponding impact, if any, on finance costs.

(j) **Trade Payables**

Trade Payables are being carried at Rs. 33,392.39 lakhs. Confirmations from certain parties are not available. Due to unavailability of confirmations, we are unable to comment on the adjustments, if any, that may be required to the carrying value of the aforesaid Trade Payables, its ageing schedule and corresponding impact, if any, on Purchase of stock-in-trade.





**(k) Purchase of stock-in-trade**

Purchase Rate Difference of Rs. 13,942.29 lakhs has been credited to this account. Proper records for verification of this amount were not available. Accordingly, we are unable to comment on the adjustments, if any, that may be required to this amount and the corresponding impact, if any, on the loss of the Group.

**(l) Finance Costs**

Finance Costs of Rs. 7,379.13 lakhs includes interest on bank loans and discounting charges. Statements for interest and discounting charges for certain banks and other parties are not available. Accordingly, we are unable to comment on the adjustments, if any, that may be required to this amount and the corresponding impact, if any, on the loss of the Group.

**(m) Impairment to Debtors**

Impairment to Debtors of Rs. 8,392.70 lakhs is on account of loss on Merchanting Transaction for which application has been made to Indian Bank for seeking permission of Reserve Bank of India to write off the loss and condone the delay in completion of the transaction beyond the permitted period of 9 months. As the reply to the said application is still awaited and based on available documentation related to the transaction, we are unable to comment on the adjustments, if any, that may be required to this amount and the corresponding impact, if any, on the loss of the Group.

**(n)** We have been informed that the report submitted by the Forensic Auditor appointed by Committee of Creditors is confidential. Further, we have been informed by the Interim Resolution Professional & Resolution Professional that certain information including the minutes of meetings of the Committee of Creditors and the outcome of certain procedures carried out as part of the CIRP are confidential in nature and could not be shared with anyone other than the Committee of Creditors and NCLT. Accordingly, we are unable to comment on the possible financial impact, presentation and disclosures, if any, that may arise if we had been provided access to such information.

**Material uncertainty related to Going Concern**

The financial statements are presented with the assumption that the Group will be able to continue its operations and that it has the ability to meet its financial obligations and liabilities in the normal course of business. As stated in note 1 to the accompanying standalone financial statements, the business of the Holding Company has been severely disrupted on account of extremely tight liquidity situation and inadequate support from major vendors and lenders, who have recalled the credit facilities. This situation has been further aggravated by high level of manpower attrition resulting in serious gaps in maintenance of IT systems and records. The Holding Company has defaulted in respect of instalments and payment of interest on term loans and dues on account of cash credits from Banks. As confirmed by the management, the Holding Company had submitted a restructuring plan to the lenders which has not been accepted by them. The Holding Company is undergoing the Corporate Insolvency Resolution Process as explained in detail in note 42. Such events and conditions, along with the matters described in the section of Disclaimer of Opinion in our report, and their possible impact on erstwhile management's assumptions, and other matters as set forth in note 1, indicate that material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. In the absence of sufficient and appropriate evidence, we are unable to comment as to whether the going concern basis for the preparation of these financial statements taken by the Resolution Professional is appropriate.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters discussed in the Basis for Disclaimer of Opinion Paragraph, there are no other Key Audit Matters to be communicated in the Auditor's Report.

**Responsibilities of Management and Those Charged with Governance for the consolidated financial statements**

The Holding Company has been under the Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") vide order dated 2<sup>nd</sup> November 2023 passed by the National Company Law Tribunal ("NCLT"). The powers of the Board of Directors stand suspended as per Section 17 of the Code and such powers were being exercised by the Interim Resolution Professional (IRP) appointed by the NCLT by the said order under the provisions of the Code. As per Section 20 of the Code, the management and





operations of the Company were being managed by the Interim Resolution Professional Mr. Arun Kapoor upon commencement of CIRP. Subsequently, vide order dated 29<sup>th</sup> April 2024 passed by NCLT, the IRP Mr. Arun Kapoor was replaced by Resolution Professional (RP) Mr. Gajesh Labhchand Jain who is now responsible for the management and operations of the Company.

The Holding Company's management is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the management of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those management is also responsible for overseeing the Group's financial reporting process.

#### **Auditor's responsibilities for the audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

#### **Other Matter**

We have not audited the financial statements and other financial information of the subsidiary. The subsidiary accounts for total assets of Rs. 413.93 lakhs as at 31 March 2023, net loss of Rs. 3.00 lakhs for the year ended 31 March 2023.

These financial statements and financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of section 143 (3) of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

The financial statements and other financial information of the subsidiary which is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in its respective country and which has been audited by other auditors under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of the subsidiary located outside India is based on the reports of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.





## Report on legal and other regulatory requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of its subsidiary, as noted in the "other matter" paragraph, we report, to the extent applicable, that :
  - (a) as described in the Basis for Disclaimer of Opinion section above, we have sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - (b) as described in the Basis for Disclaimer of Opinion section, we are unable to state whether proper books of account as required by law for have been kept by the Holding Company for preparation of the aforesaid consolidated financial statements;
  - (c) as described in the Basis for Disclaimer of Opinion section, we are unable to state whether the consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) the matters described in the Basis for Disclaimer of Opinion and in the Material Uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Group.
  - (f) on the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2023, and taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group Company incorporated in India is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director, in terms of Section 164 (2) of the Act;
  - (g) the reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section above.
  - (h) with respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses disclaimer opinion on the Company's internal financial controls over financial reporting for the reasons stated therein;
  - (i) with respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (j) other than the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph above, with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiary, as noted in the "other matter" paragraph :
    - (i) the consolidated financial statements disclose the impact on pending litigations on its financial position of the Group in its consolidated financial statements;
    - (ii) the Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.





(iv) (a) The management of the Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Holding Company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances performed by us on the Holding Company, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) above, contain any material mis-statement.

(v) The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.



For Bhogilal C. Shah & Co.  
Chartered Accountants  
Firm's registration No. 101424W

*Suril Shah*

Suril Shah  
Partner

Membership No. 42710  
UDIN : 24042710BKGWNQ9688  
Mumbai, October 8, 2024

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **Disclaimer of Opinion**

We were engaged to audit the internal financial controls over financial reporting of Compuage Infocom Limited ("the Holding Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Holding Company for the year ended on that date.

We do not express an opinion on the internal financial controls over financial reporting of the Holding Company. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Holding Company.

#### **Basis for Disclaimer of Opinion**

The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to us to enable us to determine if the Holding Company has established adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31<sup>st</sup> March 2023 due to reasons as stated in Note 1 of the consolidated financial statements.

#### **Management's responsibility for Internal Financial Controls**

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Holding Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



For Bhogilal C. Shah & Co.  
Chartered Accountants  
Firm's registration No. 101424W

Suril Shah  
Partner

Membership No. 42710  
UDIN : 24042710BKGWNQ9688  
Mumbai, October 8, 2024



**Compuage Infocom Limited**  
Consolidated Balance Sheet as at March 31, 2023

(₹ in Lakh unless otherwise stated)

Particulars	Note	31-Mar-23	31-Mar-22
<b>A. ASSETS</b>			
1. Non-current assets			
a) Property, plant and equipment	2	4,854.15	4,855.19
b) Intangible assets	2	0.56	0.65
c) Financial assets			
(i) Investments	3	57.12	82.32
(ii) Others financial assets	4	-	448.05
<b>Total non-current assets</b>		<b>4,911.83</b>	<b>5,386.21</b>
2. Current assets			
a) Inventories	5	16,735.38	43,697.63
b) Financial assets			
(i) Trade receivables	6	54,597.82	52,083.26
(ii) Cash and cash equivalents	7	1,239.88	510.05
(iii) Bank balances other than (ii) above	8	8,047.05	7,958.35
(iv) Loans	9	19.10	22.13
(v) Other financial assets	10	1,210.73	1,174.99
c) Current tax assets (net)	11	280.84	-
d) Other current assets	12	7,112.83	7,219.46
<b>Total current assets</b>		<b>89,243.63</b>	<b>112,665.87</b>
<b>TOTAL ASSETS</b>		<b>94,155.46</b>	<b>118,052.08</b>
<b>B. EQUITY AND LIABILITIES</b>			
Equity			
a) Equity share capital	13	1,715.36	1,299.52
b) Other equity	14	7,040.13	23,473.00
<b>Total equity</b>		<b>8,755.49</b>	<b>24,772.52</b>
Liabilities			
1. Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	15	-	4,779.81
b) Provisions	16	-	206.91
c) Deferred tax liabilities (net)	17	-	421.77
<b>Total non-current liabilities</b>		<b>-</b>	<b>5,408.49</b>
2. Current liabilities			
a) Financial liabilities			
(i) Borrowings	18	50,535.61	50,599.40
(ii) Trade payables	19		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		33,392.39	33,970.80
(iii) Other financial liabilities	20	986.13	1,318.02
b) Other current liabilities	21	185.31	1,783.81
c) Provisions	22	300.53	30.00
d) Current tax liabilities (net)	17	-	169.04
<b>Total current liabilities</b>		<b>85,399.97</b>	<b>87,871.07</b>
<b>Total liabilities</b>		<b>85,399.97</b>	<b>93,279.56</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>94,155.46</b>	<b>118,052.08</b>
<b>Significant accounting policies</b>	1		

The above Balance Sheet should be read in conjunction with the accompanying Notes

As per our report of even date  
For Bhogilal C. Shah & Co.  
Firm Reg. No.: 101424W  
Chartered Accountants

*Surinder*

(CA. S. V. Shah)  
Partner  
Membership No. : 042710  
Place : Mumbai  
Dated : 28th October, 2024



For and Behalf of Compuage Infocom Limited

*Y. Jain*  
Gajesh Labhchand Jain  
IBBI Reg. No.: IBBI/PA-081/P-01697/2019-2020/12588  
Resolution Professional

*Atul Mehta*  
Atul Mehta  
Suspended Director

*Bhavesh Mehta*  
Bhavesh Mehta  
Suspended Director

# Compuage Infocom Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakh unless otherwise stated)

Particulars	Note	2022-23	2021-22
Revenue from operations	23	373,948.47	420,750.18
Other income	24	602.71	1,644.96
<b>Total Income</b>		<b>374,551.18</b>	<b>422,395.14</b>
<b>Expenses</b>			
Purchase of stock-in-trade	25	342,344.37	414,912.46
Changes in inventories of stock in trade	26	26,962.25	(11,758.83)
Employee benefits expense	27	3,443.91	3,476.85
Finance costs	28	7,379.13	7,442.99
Depreciation and amortisation expenses	2	307.71	340.69
Other expenses	29	14,238.96	4,316.90
<b>Total Expenses</b>		<b>394,676.33</b>	<b>418,731.06</b>
Profit before exceptional items and tax		(20,125.15)	3,664.08
<b>Profit before tax</b>		<b>(20,125.15)</b>	<b>3,664.08</b>
<b>Tax expense</b>			
Current tax	17	5.48	954.53
Tax for Earlier Years	17	275.20	-
Deferred tax	17	(421.77)	34.70
<b>Total tax expense</b>		<b>(141.09)</b>	<b>989.23</b>
<b>Profit for the year</b>		<b>(19,984.06)</b>	<b>2,674.85</b>
<b>Other Comprehensive Income</b>			
a) Items that will not be reclassified to profit and loss			
- Remeasurment of Defined Employee Benefit Plans		-	17.80
- Income Tax relating to above items		-	(4.48)
b) Items that will be reclassified to profit and loss			
- Foreign Currency Translation difference		(65.14)	(20.61)
- Income Tax relating to above items		-	5.19
<b>Other Comprehensive Income, net of tax</b>		<b>(65.14)</b>	<b>(2.10)</b>
<b>Total Comprehensive Income for the year</b>		<b>(20,049.20)</b>	<b>2,672.75</b>
<b>Earnings per Equity share attributable to owners of the Company</b>			
No. of shares		857.68	649.76
<b>Basic and diluted earning per Equity share of ₹2 each</b>		<b>(28.16)</b>	<b>4.11</b>
<b>Significant accounting policies</b>	1		

The above Profit & Loss should be read in conjunction with the accompanying Notes

As per our report of even date  
For Bhogilal C. Shah & Co.  
Firm Reg. No.: 101424W  
Chartered Accountants

*Sueilushal*

(CA. S. V. Shah)  
Partner

Membership No. : 042710

Place : Mumbai

Dated : 24th October, 2024



For and Behalf on behalf of Compuage Infocom Limited

*Jain*  
Gajesh Labhchane  
IBBI Reg. No.: IBBI/IP-001/IP-P 01697/2019 -2020/12588  
Resolution Professional

*Atul Mehta*  
Atul Mehta  
Suspended Director

*Bhaves Mehta*  
Bhaves Mehta  
Suspended Director



**COMPUGAGE INFOCOM LIMITED**  
Statement of Consolidated Cash Flows for the year ended March 31, 2023

(₹ In Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>A. Cash Flows From Operating Activities</b>		
Profit before tax	(20,125.15)	3,664.08
<u>Adjustment For:</u>		
Depreciation and amortisation expenses	307.71	340.69
Impairment of Debtors	8,392.70	-
Unrealised Exchange Rate Difference (Net)	(55.21)	(18.34)
Finance costs	7,379.13	7,442.99
Interest income from financial assets measured at amortised cost	(563.02)	(1,627.95)
Loss / (Gain) on Sale of Property, Plant & Equipment	1.54	-
<b>Operating Profit Before Working Capital Changes</b>	<b>(4,662.30)</b>	<b>9,801.47</b>
<b>Changes in working capital:</b>		
Decrease/(Increase) In Inventories	26,962.25	(11,758.83)
Decrease/(Increase) In Trade Receivables	(10,907.26)	3,392.64
Decrease/(Increase) In Current Loans	3.03	677.10
Decrease/(Increase) In Other Current Assets	118.79	3,310.83
Decrease/(Increase) In Other Financial Assets	(35.74)	822.58
Increase /(Decrease) In Trade Payables	(578.41)	9,597.20
Increase /(Decrease) In Other Financial Liabilities	(331.89)	1,082.86
Increase /(Decrease) In Other Current Liabilities	(1,767.54)	(1,797.96)
Increase /(Decrease) In provisions	63.62	40.14
<b>Total</b>	<b>13,526.85</b>	<b>5,366.56</b>
Income tax paid (net of refund)	(573.68)	(600.37)
<b>Net Cash Inflow/(Outflow) From Operating Activities (A)</b>	<b>8,290.87</b>	<b>14,567.66</b>
<b>B. Cash Flows From Investing Activities</b>		
Purchase of Property, plant and equipment	(325.82)	(484.44)
Sale of Property, plant and equipment	17.70	-
Sale/(Purchase) of Non-Current Investments	18.94	15.80
Proceeds from / (Payment of) fixed deposits	359.35	(1,541.54)
Interest received on financial assets measured at amortised cost	563.02	1,627.95
<b>Net Cash Inflow/(Outflow) From Investing Activities (B)</b>	<b>633.19</b>	<b>(382.23)</b>
<b>C. Cash Flows From Financing Activities</b>		
Proceeds from Issuance of Equity Share Capital under Rights Issue	4,158.45	-
Proceeds from / (Repayment of) Current Borrowings	(63.79)	(4,554.15)
Proceeds from / (Repayment of) Non Current Borrowings	(4,779.81)	(2,330.65)
Interest Paid	(7,379.13)	(7,442.99)
Dividend on Equity shares	(129.95)	(129.95)
<b>Net Cash Inflow/(Outflow) From Financing Activities (C)</b>	<b>(8,194.23)</b>	<b>(14,457.74)</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>729.83</b>	<b>(272.31)</b>
Cash And Cash Equivalents As At Beginning Of The Year	510.05	782.36
Cash And Cash Equivalents As At End Of The Year	<b>1,239.88</b>	<b>510.05</b>

- i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows as notified under the Companies (Indian Accounting Standards) Rules, 2015.

As per our report of even date  
For Bhogilal C. Shah & Co.  
Firm Reg. No.: 101424W  
Chartered Accountants

(CA. S. V. Shah)  
Partner  
Membership No. : 042710  
Place : Mumbai  
Dated : 24 October, 2024



For and Behalf on behalf of Compugage Infocom Limited

Gajesh Labhebandekar  
IBBI Reg. No.: IBBI/IPA-061/IP-P/01697/2019-2020/12588  
Resolution Professional

Atul Mehta  
Suspended Director

Bhavesh Mehta  
Suspended Director



## Compuage Infocom Limited

Statement of Changes in Equity for the year ended March 31, 2023

(₹ in Lakh unless otherwise stated)

### A. Equity Share Capital

Particulars	Note	Amount
As at April 01, 2021	13	1,299.52
Changes in Equity share capital during the year		-
As at March 31, 2022	13	1,299.52
Changes in Equity share capital during the year		415.84
As at March 31, 2023	13	1,715.36

### B. Other Equity

Particulars	Reserves and Surplus					Other Reserves		Total other Equity
	Securities Premium Reserve	General Reserve	Capital reserve	Capital redemption reserve	Retained Earnings	FVOCI equity instruments	Foreign currency translation reserve	
As at April 01, 2022	3,668.80	35.36	134.84	129.72	19,528.53	-	(24.25)	23,473.00
Profit for the year	-	-	-	-	(19,984.06)	-	3.67	(19,980.39)
Other Comprehensive Income	-	-	-	-	(65.14)	-	-	(65.14)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>(20,049.20)</b>	-	<b>3.67</b>	<b>(20,045.53)</b>
Preferential allotment-Rights Issue	3,742.61							3,742.61
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-	-
Dividend paid (including dividend distribution tax)	-	-	-	-	(129.95)	-	-	(129.95)
As at March 31, 2023	7,411.41	35.36	134.84	129.72	(650.62)	-	(20.58)	7,040.13

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



## Compuage Infocom Limited

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2023.

### Compuage Infocom Limited

Summary of Significant accounting policies to consolidated financial statements for the year ended 31<sup>st</sup> March 2023

#### Corporate Information

Compuage Infocom Limited (The Company) is a public Limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the BSE Ltd and NSE Ltd.

The Company is engaged in trading in Computer parts and peripherals, Software and Telecom Products. The Company also provides products support services for Information Technology products.

#### Group Overview

The Company and its subsidiary Company are referred to as the Group here under.

The group of companies are engaged in trading in Computer parts and peripherals, Software and Telecom Products.

#### Group Structure

Name of Company	Country of incorporation	% of shares held by the parent company	
		As at March 31, 2023	As at March 31, 2022
Compuage Infocom (S) Pte Ltd	Singapore	100%	100%

#### Business Overview and Challenges:

##### Business Overview:

Compuage is in the business of distribution of technology products, services, software & telecom products. It helps marquee brands like ASUS, HP, CISCO, Microsoft and tens of others bring their products to the markets through 10,000+ resellers. It also offers warranty services as value addition and also to shore up its bottom line.

It has a strong reputation built over three decades and operates through a nationwide network comprising 45 sales offices, 27 warehouses, and 70 service centers. An international presence in Singapore caters to the Asia Pacific region. Compuage is one of the few distributors handling major brands like Asus, Cisco, HP, and Microsoft. It has received numerous awards for its outstanding performance.

Compuage has been availing credit facilities from a bank consortium led by Indian Bank. It has had an unblemished track record for meeting its commitments to all the lenders on time, except in recent months.





**Nature of Business:**

The IT distribution sector, characterized by razor-thin profit margins (typically around 1%), involves substantial logistics operations encompassing procurement, warehousing, transportation, channel development, and credit deployment. Compuage faces the perpetual challenge of product obsolescence due to the fast-paced evolution of technology. Furthermore, it competes with global giants, which enjoy economies of scale, efficient operations, and robust global networks, providing them a distinct competitive edge.

**Business Strategy and Execution:**

Compuage's strategy aimed to achieve growth by expanding its presence across Mobility, IT Consumer, IT Enterprise, Cloud Business, and Services segments, aspiring to become a comprehensive distribution hub. While it secured distributorships for top brands in these areas, the strategy faced challenges due to slow scaling compared to peers, primarily because of inadequate low-cost working capital.

While Compuage matched its peers in terms of market penetration, sales infrastructure, and warehousing facilities, it did so with significantly lower revenue. Consequently, operational costs as a percentage of revenue remained elevated, aggravated by costly debt financing, substantially eroding gross margins. As a result, limited surplus funds were available for growth. To address this, Compuage strategically shifted focus away from mobility and IT consumer sectors to prioritize enterprise business, cloud offerings, and services, which offered better profit margins. This shift began in 2019, well before the onset of the COVID-19 pandemic.

**Impact of COVID:**

With the COVID-19 pandemic emerging in early 2020, Compuage faced severe challenges. The enterprise business, initially flourishing, suffered as major clients like corporate enterprises and government offices closed, impacting sales significantly. Simultaneously, semiconductor shortages disrupted stock availability, worsening receivables management and extending the working capital cycle. Ironically, the IT consumer sector, which Compuage had de-emphasized, boomed due to high demand for laptops and smartphones driven by remote work and study. This dual blow caused the company to lose out on the thriving IT consumer market while facing a decline in the IT enterprise sector.

To mitigate these challenges, Compuage expanded its customer base by targeting a large number of MSME customers. Leveraging its nationwide distribution network, this strategy initially boosted sales but posed difficulties in receivables collection as defaults from this segment surged rapidly from December 2022.

**Stagnant Working Capital Support:**

Efforts to secure enhanced working capital limits encountered delays and preconditions, resulting in insufficient working capital to sustain operations. Some consortium banks even reduced existing limits, further aggravating the situation.

**Efforts to Overcome Challenges:**

Faced with the severe working capital deficit and declining support from banks, Compuage made extensive efforts to navigate the crisis. Despite some success in securing partial assistance from NBFCs and an arrangement of Rs. 80 crores in working capital with one of the leading banks, these measures proved inadequate. The company explored multiple avenues, including private equity funding, seeking a strategic partner, and even contemplating a complete sale of the business as a going concern. However, due to the fiercely competitive nature of the industry and its thin profit margins, it couldn't find a suitable partner or investor.

To address the acute liquidity shortage, the promoters sold a portion of their shareholding in the open market, injecting Rs. 15 crores into the company. Compuage had also planned a rights issue of equity shares, which eventually materialized in December 2022, resulting in infusion of approximately Rs. 41.58 crores into the company. However, these funds provided only a temporary respite, addressing a small fraction of the substantial cash deficit the company faced.





Despite the substantial working capital shortfall, Compuage diligently strived to meet its payment commitments to lenders, even if it meant missing out on potential business opportunities. This determination to honoring obligations to lenders contributed to continuous delays in payments to vendors.

**Dwindling Vendor Support:**

Although Compuage initially benefited from its long-standing relationships and credibility with multinational vendors, this support was short-lived. The company had assured vendors that payments would be regularized once the enhanced limits were approved. Due to dwindling vendor support to Compuage, regular practice to adjust Compuage claims for marketing, training, special price clearances, price protection, etc, which gets adjusted against future purchases have not been recognised by the vendors. However, as these limits were not released, delays in streamlining vendor payments persisted. Vendors began redirecting their business to Compuage's competitors, strengthening the competition while simultaneously weakening Compuage. Prolonged payment delays eventually led vendors to withhold deliveries and, in some cases, completely withdraw their support, even terminating agency arrangements with Compuage. There are counter claims by company as per industry's norms for various activities performed by the company on behalf of the vendors which have not been considered by them.

**Additional Factors:**

Factors like rupee depreciation and increased online sales exerted additional pressure on offline channels and supply chain margins.

**Current Situation:**

Amid market pressures, Compuage experienced a significant reduction in team size, leading to warehouse consolidation and outsourcing of various functions. The company is grappling with inventory sales due to restrictions imposed by lenders, outstanding payments recovery, and vendor claims, impacting profitability, cash flow, and credibility. This situation has been further aggravated by high level of manpower attrition resulting in serious gaps in maintenance of IT systems and records which has resulted in non-accessibility to the books of accounts maintained on SAP.

Subsequently, a petition C.P. (IB) 329/MB/2023 was filed by Plus Plus Engagement Services Pvt Ltd under section 7 of Insolvency and Bankruptcy Code, 2016 ('IBC') against Compuage Infocom Limited ("Corporate Debtor") for the default in payment of INR 1,68,57,123/- (Rupees One Crore Sixty-Eight Lacs Fifty-Seven Thousand One Hundred Twenty-Three Only). The Hon'ble NCLT, Mumbai Bench admitted the petition and ordered initiation of Corporate Insolvency Resolution Process in respect of the Corporate Debtor on November 02, 2023. The Hon'ble Bench in the same order appointed Mr. Arun Kapoor as the Interim Resolution Professional ('IRP'). Thereafter, Hon'ble NCLT, Mumbai Bench has passed an order dated 29.04.2024 (Order received on 09.05.2024), for the replacement of Resolution Professional and appointed Mr. Gajesh Labhchand Jain (Registration no. IBBI/IPA-001/IP-P-01697/2019-2020/12588) as Resolution Professional ("RP") under the Insolvency and Bankruptcy Code, 2016 ("Code") in matter of Corporate Insolvency Resolution Process of M/s Compuage Infocom Limited.

The Companies Act 2013 (as amended) (The "Act") under section 134(1). states that the financial statement shall be approved by the Board of Directors and thereafter signed on behalf of the Board by the chairperson of the Company where he is authorized by the Board or by 2 Directors out of which 1 shall be Managing Director, if any, and the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Company Secretary of the Company, wherever they are appointed, for submission to the Auditor for his report thereon. Further Section 134(5) of the Act, mentions following points under the purview of the Directors' responsibility:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;



- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company had laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively.

These financial statements of the company for the year ended 31.03.2023 pertains to period prior to commencement of the CIRP on 02.11.2023. All the directors of the Company except two directors, and Company Secretary had resigned from their position in the company prior to commencement of CIRP. Upon commencement of the CIRP, the powers of the Board of Directors of the company stand suspended and are exercised by the Resolution Professional.

These financial statements have been signed by the Resolution Professional (RP) while exercising the powers of the Board of Directors of the Company which has been conferred upon him in terms of the provisions of the Section 17 of the Insolvency & Bankruptcy Code 2016. The Resolution Professional have signed these statements in good faith, solely for the purpose of compliance and discharging his duty under the Corporate Insolvency Resolution Process, governed by the Insolvency & Bankruptcy Code 2016. Since these financial statements belong to the period when the affairs of the company were being managed and governed by the erstwhile Board of Directors of the Company, these financial statements have been prepared with the same "basis of preparation" as adopted by the erstwhile Board of Directors as enumerated upon the Board under Section 134(5), of the Companies Act, 2013 and related regulations, while highlighting/addressing any material departures as per the current conditions and events which occurred subsequent to the balance sheet date. While signing the aforesaid financial statements, the Resolution Professional (RP) has relied on the representation statements and information made by Suspended Management of the Company.

#### **A. Significant Accounting Policies:**

##### **i).Basis of Preparation:**

##### **(a) Compliance with Ind AS**

These consolidated financial statements are the separate consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended hereinafter referred to as the Ind AS, and other relevant provisions of the Companies Act, 2013.

The Consolidated financial statements up to the year ended March 31, 2020 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013, hereinafter referred to as the 'Previous GAAP'.

Group's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

##### **(b) Use of Estimates:**





The preparation of consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(c) Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

(d) Historical Cost Convention:

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the Periods presented in these consolidated financial statements.

Principles of consolidation and equity accounting:

i) Subsidiary companies:

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.







accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss.

If the ownership interest in a joint venture company or an associate company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate

Group's consolidated financial statements are presented in Indian Rupees (₹), which is also its functional currency.

#### **ii).Current/ Non-Current classification:**

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realized/settled in the Group's normal operating cycle;
- ii. The asset is intended for sale or consumption;
- iii. The asset/liability is held primarily for the purpose of trading;
- iv. The asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. In the case of a liability, the group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months.

#### **iii).Tangible Assets /Property, plant and equipment:**

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

#### **iv).Depreciation on tangible fixed assets:**





Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and accordingly, accounted for prospectively.

#### **v).Intangible Assets:**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life i.e. 3 years based on management assessment and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognised in the Statement of Profit and Loss.

#### **vi).Derecognition:**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss.

#### **vii).Impairment of non-financial assets – property plant and equipment and intangible assets:**

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there are any indications of impairment based on internal / external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

Goodwill, intangible assets having indefinite useful life and intangible assets currently not in use by the Group are tested for impairment annually and also whenever there are indicators of impairments.

Reversal of impairment of Goodwill is not recognized.

#### **viii).Lease:**

**The Company as a Lessee**





The Company's lease asset classes primarily consist of leases for office premises for its branches at various locations. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

As all the leases are short-term leases or low value leases, the Company has not recognized any right-of-use asset and corresponding lease liability for any of the lease arrangements in which it is a lessee during the year.

#### The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### Transition

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019. However, as all the leases are short-term leases or low value leases, the Company has not recognized any right-of-use asset and corresponding lease liability for any of the lease arrangements during the year.

#### ix).Borrowing costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing and exchange differences arising from foreign currency borrowing to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### x).Revenue Recognition:

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Group in the ordinary course of its activities and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates by the Group.



Revenue includes only the gross inflows of economic benefits, received and receivable by the Group, on its own account. Amounts collected on behalf of third parties such as Sales Tax, VAT and GST are excluded from revenue.

The Group bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement. Accumulated experience is used to estimate and provide for discounts and returns. No element of financing is deemed present as sales are made with a credit term which is consistent to market practice.

***Sale of products:***

Revenue from sale of products is recognized when the Group transfers all significant risks and rewards of ownership to the buyer, while the Group retains neither continuing managerial involvement nor effective control over the products sold.

***Rendering of services:***

Revenue from product support services are recognized once the service is provided and the invoice is raised and are net of applicable taxes.

***Interest:***

Interest income from debt instruments is recognised using the effective interest rate method.

***Dividend:***

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

**xi).Foreign Currency Transactions /translations:**

Functional and presentation Currency:

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the Group operates (functional currency). The Financial statements of the Group are presented in Indian Currency, which is also the functional currency of the Group.

**Initial Recognition:**

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Foreign exchange gain or loss resulting from the settlement of such transactions and from translation of monetary assets or liability denominated in foreign currencies at the year-end exchange rate are generally recognized in the profit and loss account except that they are deferred in equity if they relate to qualifying cash flow hedges.

**Measurement of foreign currency items at reporting date:**





Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Other Comprehensive Income.

**xii). Derivative financial instruments and hedge accounting:**

The Group enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost.

The Group is not following hedge accounting. Consequently all derivative instruments are recognised and measured at Fair Value through Profit and Loss.

**xiii). Inventories:**

(a) Stock of goods traded is valued at lower of cost and net realizable value. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The costs are determined on a weighted average basis.

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

**xiv). Investments and other financial assets:**

**Classification:**

The Group classifies its financial assets in the following measurement categories:

i) Those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI), or through Profit or Loss), and

ii) Those measured at amortised cost.

The classification depends on the business model of the entity for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Profit or Loss or Other Comprehensive Income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income (OCI)





### **Initial recognition and measurement:**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

### **Subsequent measurement:**

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through Profit or Loss (FTVPL)} or,
- ii) Amortised cost.

### **Debt instruments:**

Subsequent measurement of debt instruments depends on the business model of the Group for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

#### **Measured at amortised cost:**

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

#### **Measured at fair value through Other Comprehensive Income (FVOCI):**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain / (loss) previously recognized in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

#### **Measured at Fair Value Through Profit or Loss: (FVTPL)**

A financial asset not classified as either amortised cost or FVOCI, is classified as FTVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

### **Equity instruments:**

The Group subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Management of the Group has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such



investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **Investments in Subsidiary Companies, Associate Companies and Joint Venture companies:**

Investments in Subsidiary Companies, Associate Companies and Joint Venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in Subsidiary Companies, Associate Companies and Joint Venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

### **Impairment of financial assets:**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, and bank balance.
- ii) Trade Receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

### **De-recognition:**

A financial asset is de-recognized only when the Group

- i) has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

### **Financial liabilities:**

#### **i) Classification as debt or equity**





Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**ii) Initial recognition and measurement**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

**iii) Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**iv) De-recognition**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

**Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**xv).Retirement and other employee benefits:**

**Short term employee benefits:**

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex gratia, medical benefits etc. are recognized in the year in which the employees render the related service and are presented as current employee benefit obligations within the balance sheet.

**Defined contribution plan:**

Contributions to defined contribution schemes such as contribution to provident fund, Employees State Insurance Corporation, National Pension Scheme are charged as an expense to the statement of profit and loss on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Group has no further defined obligations beyond the monthly contributions.

The Liability or Asset, is recognized in the Balance sheet in respect of Gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method (PUCM).

**xvi).Income Taxes:**

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken





in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognized if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit / (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in equity, respectively.

**xvii).Cash and cash equivalents:**

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term deposits (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**xviii).Segment reporting:**

The Group operates only in one reportable segment.

**xix).Earnings per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity share outstanding during the period.

For the purpose of calculating Diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**xx). Provisions and contingent liabilities:**



Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.





**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lakh unless otherwise stated)

**NOTE 2 : PROPERTY, PLANT AND EQUIPMENT**

Particulars	Buildings	IT Equipment	Vehicles	Office Equipment	Furniture and Fixture	Total Property, plant and equipment	Intangible Assets
<b>Gross carrying amount</b>							
As at April 1st, 2021	4,291.62	1,845.38	117.29	797.83	1,611.72	8,663.84	11.99
Additions	-	468.07	-	12.47	3.90	484.44	-
Disposals	-	-	-	-	-	-	-
As at April 1st, 2022	4,291.62	2,313.45	117.29	810.30	1,615.62	9,148.28	11.99
Additions	-	315.43	-	10.39	-	325.82	-
Disposals	-	-	-117.29	-	-	(117.29)	-
As at March 31, 2023	4,291.62	2,628.88	-	820.69	1,615.62	9,356.81	11.99
<b>Depreciation   Amortisation</b>							
As at March 31, 2021	327.87	1,745.49	84.58	633.05	1,161.50	3,952.49	11.25
Charge For the year	75.39	68.28	6.76	61.82	128.35	340.60	0.09
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	403.26	1,813.77	91.34	694.87	1,289.85	4,293.09	11.34
Charge For the year	75.39	102.64	6.71	53.17	69.71	307.62	0.09
Disposals	-	-	(98.05)	-	-	(98.05)	-
upto March 31, 2023	478.65	1,916.41	-	748.04	1,359.56	4,502.66	11.43
<b>Net carrying amount</b>							
As at 31-03-2022	3,888.36	499.68	25.95	115.43	325.77	4,855.19	0.65
As at 31-03-2023	3,812.97	712.47	-	72.65	256.06	4,854.15	0.56

1. The company has hypothicated Buildings to avail the Loan from the Bank.





## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh unless otherwise stated)

### NOTE 3 : Non Current Investments

Particulars	As at	As at
	March 31, 2023	March 31, 2022
a) Investment in equity instruments of Other Company measured at FVTPL - Unquoted 190416 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of ₹30 Each. (Previous year: 274416 Equity Shares of Rs. 30 each).	57.12	82.32
<b>Total</b>	<b>57.12</b>	<b>82.32</b>

### NOTE 4 : Other Non Current Financial Assets

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Fixed Deposits with Banks, with maturity beyond 12 months	-	448.05
<b>Total</b>	<b>-</b>	<b>448.05</b>

### NOTE 5 : Inventories

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Stock in trade	16,735.38	43,697.63
<b>Total</b>	<b>16,735.38</b>	<b>43,697.63</b>

### NOTE 6 : Trade Receivables

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Unsecured, considered good	8,494.53	52,083.26
Unsecured, considered Doubtful (Not provided for)	46,103.29	-
<b>Total</b>	<b>54,597.82</b>	<b>52,083.26</b>

#### Ageing for trade receivables outstanding as at 31st March 2023

Particulars	Outstanding for following periods from due dates of payment						Total
	Not due	Less than 6 months	6 months-1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables-considered good.	8,494.53	-	-	-	-	-	8,494.53
Undisputed trade receivables-which have significant increase in credit risk .	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired.	-	-	-	-	-	-	-
Disputed trade receivables-considered good.	-	-	-	-	-	-	-
Disputed trade receivables-which have significant increase in credit risk .	4,895.38	38,166.53	651.17	1,267.56	976.33	146.32	46,103.29
Disputed trade receivables-credit impaired.	-	-	-	-	-	-	-
Less: Provision fordoubtfull debts-credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>13,389.91</b>	<b>38,166.53</b>	<b>651.17</b>	<b>1,267.56</b>	<b>976.33</b>	<b>146.32</b>	<b>54,597.82</b>

#### Ageing for trade receivables outstanding as at 31st March 2022

Particulars	Outstanding for following periods from due dates of payment						Total
	Not due	Less than 6 months	6 months-1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables-considered good.	24,858.24	23,883.89	867.49	552.36	22.84	85.77	50,270.59
Undisputed trade receivables-which have significant increase in credit risk .	-	-	-	-	-	-	-



Undisputed trade receivables-credit impaired.	-	-	-	-	-	-	-
Disputed trade receivables-considered good.	-	426.76	685.42	644.16	0.38	55.95	1,812.67
Disputed trade receivables-which have significant increase in credit risk .	-	-	-	-	-	-	-
Disputed trade receivables-credit impaired.	-	-	-	-	-	-	-
Less: Provision fordoubtfull debts-credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>24,858.24</b>	<b>24,310.65</b>	<b>1,552.91</b>	<b>1,196.52</b>	<b>23.22</b>	<b>141.72</b>	<b>52,083.26</b>

**NOTE 7 : Cash and Cash Equivalents**

Particlurars	As at March 31, 2023	As at March 31, 2022
Bank balances		
In current accounts	1,202.95	434.22
In unpaid dividend accounts	16.35	19.34
Cash on hand	20.58	14.54
Fixed deposits with original maturity less than 3 months	-	41.95
<b>Total</b>	<b>1,239.88</b>	<b>510.05</b>

**NOTE 8 : Other Bank Balances**

Particlurars	As at March 31, 2023	As at March 31, 2022
Fixed deposits with remaining maturity less than 12 months	8,047.05	7,958.35
<b>Total</b>	<b>8,047.05</b>	<b>7,958.35</b>

**NOTE 9 : Current Loans**

Particlurars	As at March 31, 2023	As at March 31, 2022
Loans to employees	19.10	22.13
<b>Total</b>	<b>19.10</b>	<b>22.13</b>

**NOTE 10 : Other Current Financial Assets**

Particlurars	As at March 31, 2023	As at March 31, 2022
Fixed deposits other than Banks	895.00	735.00
Security deposits	239.38	370.99
Interest accrued	76.35	69.00
<b>Total</b>	<b>1,210.73</b>	<b>1,174.99</b>

**NOTE 11 : Current Tax Assets (Net)**

Particlurars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provisions)	280.84	-
<b>Total</b>	<b>280.84</b>	<b>-</b>

**NOTE 12 : Other Current Assets**

Particlurars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	97.15	478.10
Advance to staff	2.64	1.65
Balances with Government authorities	6,954.45	6,739.71
Miscellaneous Expenses (to the extent not written of)	58.59	-
<b>Total</b>	<b>7,112.83</b>	<b>7,219.46</b>





NOTES TO THE FINANCIAL STATEMENTS  
(₹ in Lakh unless otherwise stated)

NOTE 13 : EQUITY SHARE CAPITAL

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Authorised</b>		
9,62,70,000 Equity shares of ₹2.00 each	1,925.40	1,925.40
46,65,600 Preference shares of ₹0.10 (Ten paise) each	4.67	4.67
1,10,00,000 Preference shares of ₹10.00 each	1,100.00	1,100.00
<b>Total</b>	<b>3,030.07</b>	<b>3,030.07</b>
<b>Issued, subscribed and fully paid-up</b>		
8,57,68,064 Equity shares of ₹2.00 each fully paid - Previous Year : 6,49,75,806 Equity shares of ₹2.00 each fully paid	1,715.36	1,299.52
<b>Total</b>	<b>1,715.36</b>	<b>1,299.52</b>

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	No. in lakh	₹ In lakh	No. in lakh	₹ In lakh
At the beginning of the Period	649.76	1,299.52	649.76	1,299.52
Add : Preferential allotment-Rights Issue	207.92	415.84	-	-
<b>Outstanding at the end of the period</b>	<b>857.68</b>	<b>1,715.36</b>	<b>649.76</b>	<b>1,299.52</b>

**Terms / rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹2.00 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by shareholders.

e) Details of Shareholders holding more than 5% of Equity shares:

Name of Shareholder	As at		As at	
	March 31, 2023		March 31, 2022	
	Holding %	No. in lakh	Holding %	No. in lakh
1. Atul Harkishandas Mehta	20.35%	174.54	23.02%	149.54
2. Bhavesh Harkishandas Mehta	20.35%	174.54	23.02%	149.54
3. Ajay Harkishandas Mehta	1.95%	16.69	12.30%	79.94

d) Disclosure of shareholding of promoters:

Disclosure of shareholding of promoters as at 31st March 2023

Name of Shareholder	As at		As at	
	March 31, 2023		March 31, 2022	
	Holding %	No. in lakh	Holding %	No. in lakh
1. Atul Harkishandas Mehta	20.35%	174.54	23.02%	149.54
2. Bhavesh Harkishandas Mehta	20.35%	174.54	23.02%	149.54
3. Ajay Harkishandas Mehta	1.95%	16.69	12.30%	79.94

Disclosure of shareholding of promoters as at 31st March 2022

Name of Shareholder	As at		As at	
	March 31, 2022		March 31, 2021	
	Holding %	No. in lakh	Holding %	No. in lakh
1. Atul Harkishandas Mehta	23.02%	149.54	23.02%	149.54
2. Bhavesh Harkishandas Mehta	23.02%	149.54	23.02%	149.54
3. Ajay Harkishandas Mehta	12.30%	79.94	12.30%	79.94

NOTE 14 : OTHER EQUITY

Particulars	As at	As at
	March 31, 2023	March 31, 2022
a) Capital reserve	134.84	134.84
b) Capital redemption reserve	129.72	129.72
c) Securities premium reserve	7,411.41	3,668.80
d) General reserve	35.36	35.36
e) Foreign Currency Translation Reserve		
i) Exchange difference in translating the financial of a foreign operation		
Balance at the beginning of the year	(24.25)	(26.52)
Add : Changes in foreign currency translation reserve	3.67	2.27
<b>Balance at the end of the year</b>	<b>(20.58)</b>	<b>(24.25)</b>
e) Retained Earnings:		
Balance at the beginning of the year	19,528.53	16,985.73
Add: Profit for the year	(19,984.06)	2,674.85
Add: Other Comprehensive Income	(65.14)	(2.10)
Less: Dividend on Equity shares	(129.95)	(129.95)
<b>Balance as at the end of the year</b>	<b>(650.62)</b>	<b>19,528.53</b>
<b>Total</b>	<b>7,040.13</b>	<b>23,473.00</b>





## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh unless otherwise stated)

### NOTE 15 : Non Current Borrowings

Particulars	As at 31-03-2023	As at 31-03-2022
Term loans from banks, secured	-	4,136.71
Term loans from others, unsecured	-	643.10
<b>Total</b>	-	<b>4,779.81</b>

### NOTE 16 : Non Current Provisions

Particulars	As at 31-03-2023	As at 31-03-2022
Provision for gratuity	-	206.91
<b>Total</b>	-	<b>206.91</b>

### NOTE 17:- CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2023, March 31, 2022 are:

#### a) Income tax expense

Particulars	As at 31-03-2023	As at 31-03-2022
<b>i) Current tax</b>		
Current tax on profits for the year	5.48	954.53
Adjustments for current tax of prior period	-	-
<b>Total current tax expense</b>	<b>5.48</b>	<b>954.53</b>
<b>ii) Deferred tax</b>		
(Decrease)   Increase in deferred tax liabilities	-421.77	34.70
Decrease   (Increase) in deferred tax assets	-	-
<b>Total deferred tax expense (benefit)</b>	<b>(421.77)</b>	<b>34.70</b>
<b>Income tax expense</b>	<b>(416.29)</b>	<b>989.23</b>

#### b) Current tax liabilities (net)

Particulars	As at 31-03-2023	As at 31-03-2022
Provision for tax (net of taxes paid)	-	169.04
<b>Total</b>	-	<b>169.04</b>

#### c) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

Particulars	As at 31-03-2023	(Charged)   Credited	As at 31-03-2022	(Charged)   Credited
Property, plant and equipment & Intangible assets p&l	-	(466.52)	466.52	35.12
Fair valuation of term loan p&l	-	-	-	(0.42)
Remeasurment of Defined Employee Benefit Plans-OCI	-	-22.30	22.30	4.48
Foreign Currency Translation difference-OCI	-	67.05	(67.05)	(5.19)
<b>Net deferred tax (asset)   liability</b>	-	<b>(421.77)</b>	<b>421.77</b>	<b>33.99</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
(₹ in Lakh unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lakh unless otherwise stated)

**NOTE 23 : REVENUE FROM OPERATIONS**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Sale of Products Computer Components & Others	372,618.40	419,516.50
<b>Total (a)</b>	<b>372,618.40</b>	<b>419,516.50</b>
(b) Sale of services Product support services	1,330.07	1,233.68
<b>Total (b)</b>	<b>1,330.07</b>	<b>1,233.68</b>
<b>Total</b>	<b>373,948.47</b>	<b>420,750.18</b>

**NOTE 24 : OTHER INCOME**

Particulars	As at March 31, 2023	As at March 31, 2022
Interest from bank deposits	469.93	374.15
Interest from others	93.09	1,253.80
Rent Income	35.92	14.28
Miscellaneous income	3.77	2.73
<b>Total</b>	<b>602.71</b>	<b>1,644.96</b>

**NOTE 25 : PURCHASE OF STOCK-IN-TRADE**

Particulars	As at March 31, 2023	As at March 31, 2022
Computer Components & Others	342,344.37	414,912.46
<b>Total</b>	<b>342,344.37</b>	<b>414,912.46</b>

**NOTE 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Stocks at the end of the year Stock-in-trade	16,735.38	43,697.63
<b>Total (a)</b>	<b>16,735.38</b>	<b>43,697.63</b>
Less : (b) Stocks at beginning of the year Stock-in-trade	43,697.63	31,938.80
<b>Total (b)</b>	<b>43,697.63</b>	<b>31,938.80</b>
<b>(Increase)   Decrease in stocks</b>	<b>26,962.25</b>	<b>(11,758.83)</b>

**NOTE 27 : EMPLOYEE BENEFIT EXPENSES**

Particulars	As at March 31, 2023	As at March 31, 2022
Salaries, wages and bonus	3,210.91	3,298.95
Contribution to provident and other funds	60.86	71.33
Gratuity	116.98	58.13
Staff welfare	55.16	48.44
<b>Total</b>	<b>3,443.91</b>	<b>3,476.85</b>

**NOTE 28 : FINANCE COSTS**

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on borrowings (at amortised cost)	7,379.13	7,410.19
Interest on Preference Shares	-	32.80
<b>Total</b>	<b>7,379.13</b>	<b>7,442.99</b>





## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh unless otherwise stated)

### NOTE 29 : OTHER EXPENSES

Particulars	As at March 31, 2023	As at March 31, 2022
Rent and compensation	757.73	709.63
Power & fuel	87.42	34.29
Rates and taxes	-	47.75
Insurance	200.24	354.65
<u>Payments to the statutory auditors:</u>		
a) Audit fees	16.50	20.42
b) Tax matters	2.00	2.00
c) Other matters	1.50	1.50
Expenditure on Corporate Social Responsibility	16.00	65.85
Net exchange rate difference-Loss	10.83	48.15
Miscellaneous expenses	4,754.04	3,032.66
Impairment to Debtors	8,392.70	-
<b>Total</b>	<b>14,238.96</b>	<b>4,316.90</b>

### NOTE 30:- CONTINGENT LIABILITIES

The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as

Particulars	As at 31-03-2023	As at 31-03-2022
<u>Claims against the Company not acknowledged as debts</u>		
Disputed demands in respect of VAT/Custom Duty	1,334.72	1,202.44
Disputed demands in respect of Income Tax	6,554.45	-
(Based on legal opinion, the Company does not feel any liability will arise and hence no provision has been made in the accounts.)		

The Company does not envisage any likely reimbursements in respect of the above.

The above matters are currently being considered by the tax authorities and the Company expects the judgment will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement | decision pending with tax authorities. The potential undiscounted amount of total payments for taxes that the Company could be required to make if there was an adverse decision related to these disputed demands of regulators as of the date reporting period ends are as



**NOTE 31:- EMPLOYEE BENEFIT OBLIGATIONS**

**Funded Scheme**

**a) Defined Benefit Plans:**

**Gratuity**

The actuarial valuation of plan assets and the present value of the defined benefit obligation for the Gratuity was carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

Based on Actuarial valuation obtained the following tables set out the status of Gratuity plan and amount recognised in the companies financial statements as at 31.03.2022.

Due to the circumstances as stated in Note 1, the company has provided for Gratuity of all eligible employees as payable as on 31.03.2023 at the time of separation.

(Rs.in Lakhs)	
<b>A) Amount Recognized in Statement of Financial Position at Period-End</b>	<b>As at March 31, 2022</b>
Present Value of Funded Defined Benefit Obligation	248.51
Fair value of Plan Assets	(11.60)
<b>Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position</b>	<b>236.91</b>
<b>B) Net Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss at Period-End</b>	<b>As at March 31, 2022</b>
Service Cost	41.16
Interest Cost on DBO (A)	18.92
Interest Income Plan Assets (B)	(1.95)
<b>Net Interest Cost (A) + (B)</b>	<b>16.97</b>
Past Service Cost	-
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss</b>	<b>58.13</b>
<b>C) Current / Non-Current Bifurcation</b>	<b>As at March 31, 2022</b>
Current Liability	30.00
Non-Current Liability	206.91
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>236.91</b>
<b>D) Actual Return on Plan Assets</b>	<b>As at March 31, 2022</b>
Interest Income on Plan Assets	1.95
Remeasurements on Plan Assets	(5.85)
<b>Actual Return on Plan Assets</b>	<b>(3.90)</b>
<b>E) Analysis of Amounts Recognized in Other Comprehensive (Income) / Loss at Period-End</b>	<b>As at March 31, 2022</b>
Amount recognized in OCI - Beginning of the period	(70.81)
<b>Remeasurements due to :</b>	
Effect of change in financial assumptions (A)	(11.01)
Effect of experience adjustments (B)	(12.64)
Actuarial (Gains) / Losses (A) + (B)	(23.65)
Return on Plan Assets (excluding interest)	5.85
Total remeasurements recognized in OCI	(17.80)
<b>Amount recognized in OCI - End of the period</b>	<b>(88.61)</b>
<b>F) Total Defined Benefit Cost / (Income) included in Profit &amp; Loss and Other Comprehensive Income</b>	<b>As at March 31, 2022</b>
Amount recognized in Profit & Loss, End of Period	58.13
Amount recognized in OCI, End of Period	(17.80)
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>40.33</b>
<b>G) Change in Defined Benefit Obligation during the Period</b>	<b>As at March 31, 2022</b>
Defined Benefit Obligation, Beginning of the Period	230.16
Net Current Service Cost	41.16
Interest Cost on DBO	18.92
Actuarial (Gains) / Losses	(23.64)
Benefits Paid	(18.10)
<b>Defined Benefit Obligation, End of Period</b>	<b>248.50</b>



H) Change in Fair value of Plan Assets during the Period	As at March 31, 2022
Fair Value of Plan Assets, Beginning of the Period	15.60
Interest Income Plan Assets	1.95
Actual Company Contributions	18.00
Actuarial Gains / (Losses)	(5.85)
Benefits Paid	(18.10)
<b>Fair value of Plan Assets, End of Period</b>	<b>11.60</b>

I) Reconciliation of Balance Sheet Amount	As at March 31, 2022
Balance Sheet (Asset) / Liability, Beginning of the Period	214.57
Total Charge/(Credit) Recognised in Profit and Loss	58.13
Total Remeasurements Recognized in Other Comprehensive (Income) / Loss	(17.80)
Employer Contributions	(18.00)
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>236.90</b>

J) Financial Assumptions Used to Determine the Defined Benefit Obligation	As at March 31, 2022
Discount Rate	7.50%
Salary Escalation Rate	5.00%

K) Financial Assumptions Used to Determine the Profit & Loss Charge	As at March 31, 2022
Discount Rate	7.05%
Salary Escalation Rate	5.00%
Expected Return on Plan Assets	7.05%

L) Demographic Assumptions Used to Determine the Defined Benefit Obligation	As at March 31, 2022
<b>Withdrawal Rate:</b>	
Upto age 30	3.00%
Age 31 to 40	2.00%
Above Age 40	1.00%
<b>Mortality Rate</b>	IALM (2012-14)
<b>Retirement Age</b>	58 years

M) Asset Category	As at March 31, 2022
Insurer Managed Funds	11.60
<b>Total</b>	<b>11.60</b>

J) Expected cashflows for the next 10 years	As at March 31, 2022
Year-2020	-
Year-2021	-
Year-2022	-
Year-2023	52.53
Year-2024	17.97
Year-2025	4.37
Year-2026	4.61
Year-2027	9.94
Year-2027 to 2031	-
Year-2028 to 2032	85.08

K) Defined Benefit Obligation - Sensitivity Analysis	As at March 31, 2022
Discount Rate + 100 basis points	226.83
Discount Rate - 100 basis points	274.18
Salary Escalation Rate + 100 basis points	272.05
Salary Escalation Rate - 100 basis points	227.63
Attrition Rate + 100 basis points	253.50
Attrition Rate - 100 basis points	242.75





## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in Rs. in Lakh unless otherwise stated)

### Note 32

#### Segment Reporting

The Company operates only in one reportable segment.

### Note 33

#### Lease arrangements

The Company procures office premises for its branches under operating lease agreements that are renewable on a periodic basis at the option of both lessor and lessee. The initial tenure of the lease is below 12 months. The lease rentals recognised in the Statement of Profit and Loss for the year are Rs.753.74 lakh (previous year Rs.709.63 lakh). The contingent rent recognised in the Statement of Profit and Loss for the year is Rs.nil (previous year Rs.nil).

## NOTE 34- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE

Particulars	2022-23	2021-22
Face value of equity share (in Rs.)	2.00	2.00
Weighted average number of equity shares outstanding (in Nos)	71,185,001	64,975,806
Profit for the year (Rs. in Lakh)	(20,049.20)	2,674.88
Weighted average earnings per share (basic and diluted) (in Rs.)	(28.16)	4.11

## NOTE 35 Capital management

### Risk Management

The primary objective of Capital Management of the Company is to maximise Shareholder value. The Company monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of Capital Management, the Company considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt less cash and cash equivalents & other Bank balances.

Particulars	As at 31/03/2023	As at 31/03/2022
Total debt	50,535.61	50,881.09
Less: Cash and cash equivalents & Other Bank balances	9,286.93	8,468.40
<b>Net Debt</b>	<b>41,248.68</b>	<b>42,412.69</b>
Total equity	8,755.49	24,772.52
<b>Debt-Equity ratio</b>	<b>4.71</b>	<b>1.71</b>



**NOTE 36 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:**

**A. Relationships –**

**Category I:**

**Subsidiaries:**

Compuage Infocom (S) Pte Ltd

**Category II: Jointly Controlled Entity: NA**

**Category III:**

**Key Management Personnel (KMP)**

Atul H.Mehta	Executive Director
Bhavesh H.Mehta	Executive Director
Sunil Mehta (Resigned w.e.f. 28-02-2022)	Chief Financial Officer
Anmol Jolly (Resigned w.e.f. 27-03-2022)	Company Secretary
Hasti Pala (w.e.f. 29-03-2022 to 30-03-2023)	Company Secretary

**Non-Executive Directors**

G.S. Ganesh (Resigned w.e.f. 14-03-2023)  
 Vijay Agarwal (Resigned w.e.f. 29-03-2023)  
 Fatima Hussain (Resigned w.e.f. 14-03-2023)  
 Hetal Kudecha (w.e.f. 07-02-2022 to 29-03-2023)  
 Virendra Bhatt (w.e.f. 25-02-2021 to 02-05-2023)

**Category IV:**

**Others (Close family member of KMP and Entities in which the KMP or close family member of KMP have significant influence)**

Falguni A. Mehta	Wife of Atul H. Mehta
Forum B. Mehta	Wife of Bhavesh H. Mehta
Ajay H. Mehta	Brother of Atul H. Mehta and Bhavesh H. Mehta
Trillizo Holdings Ltd.	Entity in which close family member of KMP has significant influence
Pristine Care Products Pvt. Ltd.	Entity in which close family member of KMP has significant influence

**Transactions with the related parties:**

Particulars of transactions	For the year ended 31/03/2023	For the year ended 31/03/2022
<b>Interest Paid to:</b>		
Atul H.Mehta	60.41	29.21
Bhavesh H.Mehta	32.50	46.79
Falguni A. Mehta	2.66	3.85
Forum B. Mehta	4.01	5.81
Ajay H. Mehta	19.12	16.38
Nisha S. Mehta	-	0.02
Sunil M. Mehta HUF	-	0.21
Sunil M. Mehta	-	0.54



<b>Remuneration Paid to:</b>		
Atul H.Mehta	120.00	120.00
Bhavesh H.Mehta	120.00	120.00
Anmol Jolly (w.e.f. 01-10-2020 to 28-03-2022 )	-	8.12
Sunil Mehta (Resigned w.e.f. 28-02-2022)	-	71.99
Hasti Pala (w.e.f. 29-03-2022 to 30-03-2023)	4.19	0.05
<b>Sitting Fees to Non-Executive Directors</b>		
Vijay Agarwal (Resigned w.e.f 29-03-2023)	6.00	6.00
Fatima Nasab (Resigned w.e.f 14-03-2023)	-	5.00
Virendra Bhatt (Resigned w.e.f 02-05-2023)	6.00	7.00
Hetal Kudecha (w,e,f 07-02-2022 & Resigned w.e.f 29-03-2023)	7.00	2.00
<b>Rent Paid to:</b>		
Trillizo Holdings Ltd.	15.00	15.00
<b>Printing &amp; Stationery Paid to:</b>		
Pristine Care Products Pvt. Ltd.	-	0.53

**Balances due from/to the related parties:**

Particulars of transactions	As at 31/03/2023	As at 31/03/2022
<b>Outstanding receivables:</b>		
Trillizo Holdings Ltd.	-	138.00
Pristine Care Products Pvt. Ltd.	-	75.75

**Outstanding payables:**

Atul H.Mehta	1,714.24	1,496.53
Bhavesh H.Mehta	1,551.16	1,371.16
Compuage Infocom (S) Pte Ltd	250.78	200.01
Falguni A. Mehta	-	44.56
Forum B. Mehta	-	67.23
Ajay H. Mehta	-	1,152.92

**Loan Taken from :**

Atul H.Mehta	880.00	1,358.00
Bhavesh H.Mehta	358.00	1,030.00

**Liabilities Taken over :**

Atul H.Mehta	1,050.00	-
Bhavesh H.Mehta	1,050.00	-

**Loan Repaid to :**

Atul H.Mehta	1,712.29	1,206.00
Bhavesh H.Mehta	1,228.00	1,335.00
Forum B. Mehta	67.23	-
Falguni A. Mehta	44.56	-
Ajay H. Mehta	1,152.92	-





**NOTE 37: Outstanding dues of micro enterprise and small enterprise**

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.

**NOTE 38:**

Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2023 is ₹13,832.10 Lakhs (Previous year ₹ 17,654.65 Lakh).

**NOTE 39: Foreign Currency transactions****Expenditure in Foreign currency:**

Particular	₹ in lakh)	
	Current Period	Previous Period
Travelling	-	2.37

**NOTE 40: CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE**

Particular	Current Period	Previous Period
a) Amount required to be spend by the company during the year	67.77	64.81
b) Actual amount spent by the company during the year	16.00	65.85
i) Construction/acquisition of any asset		-
ii) On purposes other than (i) above		-
Contribution to NGO's	16.00	65.10
Contribution to Companies own projects		-
Total amount spent in cash	-	0.75
c) Short fall at the end of the year	(51.77)	-
d) Total of the previos years shortfall	-	-
e) Reason of shortfall	Liquidity issue	NA



NOTE 41: Ratios					
Particulars	Numerator	Denominator	Current Period	Previous Period	Variance
Current Ratio (times)	Current Assets	Current Liabilities	1.05	1.28	-17.97%
Debt Equity Ratio (times) <sup>(a)</sup>	Total Debt	Shareholder's Equity	5.77	2.24	157.59%
Debt Service Coverage Ratio (times) <sup>(b)</sup>	Earning available for Debt Service	Debt Service	-1.04	0.92	-213.04%
Return of Equity (ROE) (%) <sup>(c)</sup>	Net Profit after Taxes	Average Shareholders Equity	-119.21%	11.38%	-1147.54%
Inventory Turnover Ratio (times)	COGS	Average Inventory	12.22	10.66	14.63%
Trade Receivables Turnover Ratio (times)	Revenue from Operations	Average Trade Receivable	7.01	7.82	-10.36%
Trade Payables Turnover Ratio (times)	COGS	Average Trade Payables	10.96	13.82	-20.69%
Net Capital Turnover Ratio (times) <sup>(d)</sup>	Revenue	Average Working Captial	26.12	17.03	53.38%
Net Profit Ratio (%) <sup>(e)</sup>	Net Profit after Taxes	Revenue from Operations	-5.34%	0.64%	-934.37%
Return on Capital Employed (%) <sup>(f)</sup>	Profit before Interest & Taxes	Total Assets-Current Liabilities	-145.58%	36.80%	-495.57%
(a)- Reduction in shareholders equity, due to loss has resulted in an increase in this ratio.					
(b)- Loss during the year has resulted in decline in this ratio.					
(c)- Loss during the year has resulted in decline in this ratio.					
(d)- Reduction in average working capital, have resulted in reduction in ratio.					
(e)- Loss during the year has resulted in decline in this ratio.					
(f)- Loss during the year has resulted in decline in this ratio.					



## Note 42 Going Concern:

The management of Compuage Infocom Limited had prepared and reviewed the financial statements for the year ended 31<sup>st</sup> March 2023. These financial statements are presented with assumption that company will continue its operation as going concern and it has ability to meet its financial obligation and liabilities in normal course of business.

As outlined in the accompanying financial statement and related notes, the company has faced significant challenges during financial year under review. These challenge include liquidity constraints, disruption in supply chain, difficulties in debt collection, and ongoing working capital issue. These factors have collectively resulted in financial stress, as reflected in financial statements.

Management had taken several steps to address these challenges, including seeking support for a restructuring plan from lenders. The plan sought backing from lenders to re-establish Compuage as a going concern. The management remains committed to business revival with lenders support. While these measures are ongoing, their outcome remains uncertain, and there is no assurance that they will fully mitigate the Company's financial constraints.

Pending outcome of CIRP, financial statements of the company have been prepared on going concern basis.





**Note 43**

As mentioned in note 42 above, the Company was admitted under Corporate Insolvency Resolution Process, vide Order No CP (IB) 329/MB/2023 dated 02.11.2023 as part of the Corporate Insolvency Process, the Creditors of the Company were called upon to submit their claims to the Interim Resolution Professional (IRP) in terms of the applicable provisions of the Insolvency & Bankruptcy Code, 2016 (IBC). Claim submitted by creditors are being compiled and verified by the IRP and updated status is uploaded on the IBC portal. Based on the last updated list of creditors (version 5) a summary is provided as under.

(Rs.in Lakhs)

Category of Creditor	No. of Claims	Summary of Claims Received	Summary of Claims Admitted	Sum of Under Verification	Amount of Claims under Verification
Secured financial creditors (other than financial creditors belonging to any class of creditors)	9	57,950.71	57,950.71	-	-
Operational creditors (other than Workmen and Employees and Government Dues)	33	54,518.81	52,886.35	-	(1,632.46)
Unsecured financial creditors (other than financial creditors belonging to any class of creditors)	11	9,409.50	4,464.50	(3,265.40)	(1,679.60)
Operational creditors (Government Dues)	5	1,314.81	1,101.02	-	(213.79)
Other creditors, if any, (other than financial creditors and operational creditors)	5	744.41	744.41	-	-
Operational creditors (Employees)	31	104.59	104.59	-	-
<b>Grand Total</b>	<b>94</b>	<b>124,042.84</b>	<b>117,251.59</b>	<b>(3,265.40)</b>	<b>(3,525.84)</b>

The order dated 02.11.2023 imposes moratorium, in accordance with section 14 of the Code, and no interest is serviced during the CIRP period on the Loan outstanding as of the CIRP commencement date. The amount of claim admitted by the IRP may be different from the amount reflecting in the financial statements of the company as on 31.03.2023. Pending final outcome of the CIRP, no adjustments has been made in the financial statement for the differential amount, if any.

