

Speed
Reliability
Value Performance

COMPUAGE INFOCOM LTD

24th July, 2020

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

Sub: Submission of the 21st Annual Report of Compuage Infocom Limited for the financial year 2019-2020

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 21st Annual Report of the Company for the financial year 2019-2020. This is to inform you that 21st Annual General Meeting of the Company is scheduled to be held on Tuesday, 18th August, 2020 at 11.00 a.m. through Video Conferencing / Other Audio Visual Means.

Request you to take the above on record.

Thanking you,

For Compuage Infocom Limited,

Sunil Mehta
Chief Finance Officer



Place: Mumbai
Encl: As above

ANNUAL REPORT
2019-20



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COMPUAGE INFOCOM LTD



ENHANCED COMMITMENT
ENDURING GROWTH



Speed
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COMPUAGE INFOCOM LTD.
Annual Report 2019-2020

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Atul H. Mehta

Chairman and Managing Director
DIN: 00716869

Mr. Bhavesh H. Mehta

Whole-Time Director
DIN: 00740861

Mr. Ganesh S. Ganesh

Independent Director
DIN: 00010877

Mr. Vijay Agarwal

Independent Director
DIN: 00058548

Mrs. Preeti Trivedi

Independent Director (Resigned w.e.f.
22.08.2019)
DIN: 00179479

Mrs. Fatima Hussaini Nasab

Independent Director (Appointed w.e.f.
23.08.2019)
DIN: 08507217

KEY MANAGERIAL PERSONNEL

Mr. Sunil Mehta

Chief Financial Officer

Ms. Disha Shah

Company Secretary (Resigned w.e.f.
23.11.2019)

Ms. Ruchita Shah

Company Secretary Appointed w.e.f.
23.11.2019)

STATUTORY AUDITORS

M/S. BHOGILAL C. SHAH AND CO.
Chartered Accountants

SECRETARIAL AUDITOR

Mr. Virendra Bhatt

Practising Company Secretary

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

C 101, 247 Park, L.B.S. Marg, Vikhroli
(West), Mumbai – 400 083.

Tel: +91 022 49186270 Fax: +91 022
49186060

Email: rnt.helpdesk@linkintime.co.in

CIN

L99999MH1999PLC135914

BSE CODE

532456

NSE SYMBOL

COMPINFO

DIVIDEND RECOMMENDED

Rs. 0.20 per share

AGM DATE

18th August, 2020

DIRECTORS' REPORT

Dear Members,

Your Directors hereby present the 21st Annual Report on the business and operations of your Company along with the Audited Financial Statements for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS:

The highlights of the Financial Results are as tabulated below:

| Particulars | Standalone | | Consolidated | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 31 st March 2020 | 31 st March 2019 | 31 st March 2020 | 31 st March 2019 |
| Revenue from Operations & Other Income | 4,24,923.40 | 4,53,124.28 | 4,24,923.40 | 4,53,136.64 |
| Less: Expenses | 4,14,399.08 | 4,43,779.32 | 4,14,424.15 | 4,43,781.12 |
| Profit before Interest, Taxation & Depreciation | 10,524.32 | 9,344.96 | 10,499.25 | 9,355.52 |
| Less: Finance Costs | 6085.07 | 5,425.88 | 6085.07 | 5,425.88 |
| Less: Depreciation | 419.05 | 414.22 | 419.05 | 414.22 |
| Profit before Tax | 4020.20 | 3,504.86 | 3,995.13 | 3,515.42 |
| Less: Tax Expense | 944.18 | 1,246.52 | 944.18 | 1,246.52 |
| Profit after Tax Provision | 3,076.02 | 2,258.34 | 3,050.95 | 2,268.90 |
| Less: Other Comprehensive Income | (212.97) | - | (212.97) | |

| | | | | |
|--|------------------|------------------|------------------|-----------------|
| Balance brought forward | 12,363.67 | 10,616.57 | 12,440.32 | 10,682.66 |
| Amount available for Appropriation: | 15,226.72 | 12,874.91 | 15,278.30 | 12951.56 |
| Less: Provision for Gratuity | | (228.45) | | (228.45) |
| Dividend for Financial year 2018-2019 | (259.90) | (234.96) | (259.90) | (234.96) |
| Dividend Tax for Financial year 2018-2019 | (52.91) | (47.83) | (52.91) | (47.83) |
| Less: Minority Interest | - | - | - | - |
| Balance Carried to Balance Sheet | 14,913.91 | 12,363.67 | 14,965.49 | 12,440.32 |
| EPS (Basic) | 4.41 | 3.48 | 4.37 | 3.49 |
| EPS (Diluted) | 4.41 | 3.48 | 4.37 | 3.49 |

BUSINESS PERFORMANCE:

Standalone:

The Company's Net Comprehensive Income increased by 26.78% standing at Rs. 2863.05 Lakh as compared to Rs.2258.34 Lakh in the previous year. The Company registered a drop in revenue by 6.22%. The Company's revenue decreased to Rs.4,24,923.40 Lakh as compared to Rs.4,53,124.28 Lakh in the previous year marking a decrease by Rs.28,200.88 Lakh.

Consolidated:

The Company's Net Comprehensive Income has increased by 25.09% as the Net Profit after Tax stood at Rs.2,837.98 Lakh as compared to Rs.2,268.90 Lakh in the previous year. The consolidated drop in revenue was 6.23%. Our consolidated revenue has

decreased to Rs.4,24,923.40 Lakh as compared to Rs. 4,53,136.64 Lakh in the previous year. Overall the year gone by has been good and your Directors are hopeful of favourable time in future too.

DIVIDEND:

For the financial year 2019-20, your Directors have recommended a dividend of Rs.0.20 paise per share on face value of Rs.2/- per share of the Company, i.e. 10 per cent of the face value. The said dividend on Equity Shares is subject to the approval of the Shareholders at the Annual General Meeting (AGM).

TRANSFER TO RESERVES:

The whole profit after tax has been transferred to Surplus in the Statement of Profit & Loss. No amount is transferred to General Reserves Account.

BUSINESS STRATEGY:

Compuage is a leading technology products distribution company in India by technology products primarily, we carry the IT and mobility products. During the year under review, Company has signed up new relationships with vendors for distribution of products in India. Its business strategy is based on following principles:

- Partnering up new viable businesses and build lasting relationships with existing, new and potential partners.
- To reach rural market, penetrate deeper in the current markets and trying to grow the business in the existing product line.
- Increase our reach and penetration from 600 cities and 12500 partners to 1000 cities and 15000 partners by 2024.
- Launch of online purchase model for Channel Partners which will help to tap larger market share.
- To deliver differentiated offerings to the resellers which in turn will enhance their productivity and thus brings overall efficiency and effectiveness of the business.
- Periodically optimise various operational parameters to bring in effectiveness of organisational structure and processes which helps in aligning and meeting strategic goals.
- Materially enhancing the efficiency of our work delivery processes through good planning, flexibility amongst our workforce and utilising available technology and field tools.
- Ensuring the overall safety of our people, recruiting, training and retaining the best people and delivering on shareholder.



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Basically, the Board is fairly bullish about future and working on the targets for upcoming years. Your Directors are making all good efforts to achieve the better results in years to come.

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 Singapore Branch.

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

Further, no new subsidiary was acquired nor any subsidiary ceased to exist.

OVERSEAS OPERATIONS:

Your Company's overseas operations are carried out through branch office established in Singapore. It has served as a medium to manage business more effectively. This overseas presence has enabled to achieve economies of scale.

CONSOLIDATED FINANCIAL STATEMENTS:

As stipulated by Regulation 33 of the Listing Regulations, the consolidated financial statements have been prepared by the Company in accordance with the Indian Accounting Standards (Ind AS). The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

Pursuant to Section 136 of the Companies Act, 2013, the financial statements of the subsidiary are kept for inspection of the Shareholders at the Registered Office of the Company.

SHARE CAPITAL:

During the year under review, there was no change in the share capital of the Company.

The Board of Directors at its meeting held on 30th March, 2019 had allotted 62,35,811 Equity Shares at Rs.27/- each (including premium of Rs.25/- each) aggregating to

Rs.16,83,66,897/- to Promoters and Non-Promoters under Preferential Issue Mode. The Company has duly obtained listing and trading approval from the Stock Exchanges.

Also, at the same Board meeting, the Board Members, subject to Members approval via Postal Ballot, approved to issue 1,00,00,000 Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of Rs.10/- each aggregating to Rs.10,00,00,000/- to Karvy Capital Limited Demeter Portfolio on Private Placement basis. The Members, subsequently, approved to issue and allot the said shares on 7th May 2019. Thereafter, the Board at its meeting held on 10th May 2019 allotted 1,00,00,000 Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of Rs.10/- each aggregating to Rs.10,00,00,000/- to Karvy Capital Limited Demeter Portfolio. The Company is in process of obtaining listing and trading approval from the Stock Exchanges.

LIQUIDITY:

We maintain sufficient liquidity to meet our strategic and operational requirements. We understand that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business risks. We are agile and prepared to meet unforeseen business needs, if any.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors:

The current policy is an appropriate mix of Executive and Non-executive Directors to maintain the independence of the Board, and separate its function of governance and management. As on 31st March 2020, the Board consists of 5 members, two of whom are Executive Directors and 3 are Non-Executive Directors.

During the financial year 2019-20, the tenure of the following Independent Directors ceased on 22nd August, 2019:

- Mr. Ganesh S. Ganesh
- Mrs. Preeti Trivedi
- Mr. Vijay Agarwal

With the approval of the members at the 20th Annual General Meeting held on 21st August, 2019, Mr. Ganesh S. Ganesh and Mr. Vijay Agarwal were re-appointed as Non-Executive Independent Directors for second term of 5 consecutive years w.e.f. 23rd August 2019 to 22nd August 2024.

Further, Mrs. Preeti Trivedi had expressed her unwillingness to be re-appointed as Independent Director for a second term. Based on the recommendation of the

Nomination and Remuneration Committee and appointment of Mrs. Fatima Hussaini Nasab by the Board as an Additional Non-Executive Independent Director, the members approved her appointment as Non-Executive Independent Director for a term of 5 years w.e.f. 23rd August 2019 to 22nd August 2024 at the 20th Annual General Meeting held on 21st August, 2019.

The tenure of Mr. Atul H. Mehta, Chairman and Managing Director of the Company will cease on 7th September, 2020 and the tenure of Mr. Bhavesh H. Mehta, Whole-Time Director of the Company will cease on 17th October, 2020. With respect to the same, the Board has, at its meeting held on 18th July, 2020, based on the recommendation of Nomination and Remuneration Committee and subject to approval of members at the ensuing 21st Annual General Meeting, re-appointed Mr. Atul H. Mehta as Chairman and Managing Director for a further term of 5 years and Mr. Bhavesh H. Mehta as Whole-Time Director for a further term of 5 years.

Their brief profile is forming part of notice convening this 21st Annual General Meeting.

Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act, 2013, following persons are Key Managerial Personnel of the Company:

- Mr. Atul H. Mehta - Managing Director
- Mr. Bhavesh H. Mehta - Whole Time Director
- Mr. Sunil Mehta - Chief Financial Officer
- Mrs. Ruchita Shah - Company Secretary

During the financial year 2019-20, Ms. Disha resigned from the position of Company Secretary and Compliance Officer w.e.f. 23rd November, 2019. Further, Ms. Ruchita Shah was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 23rd November, 2019.

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 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as “SEBI 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, effectiveness of Board processes, information and functioning, 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, effectiveness of Committee Meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the 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, 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, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed at the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

BOARD MEETINGS:

The Board met eleven times during this financial year, the details of which are given in Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations.

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 Companies Act, 2013 and Regulation 16(b) of SEBI Listing Regulations.

Further, they have duly registered themselves with the Independent Directors Databank of the Ministry of Corporate Affairs and will be appearing for the prescribed online proficiency self-assessment test.

During the year, all the Independent Directors have worked with utmost integrity and the expertise and experience in their respective fields have been of great importance to the growth of the Company in the opinion of the Board.

CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year is set out at report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report attached to this Board's Report as Annexure C. The policy is available on the website of the Company.

ABSTRACT OF THE ANNUAL RETURN:

As provided under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the extract of annual return in Form MGT-9 is available on the website of the Company at <http://www.compuageindia.com/annual-reports.html>

CORPORATE GOVERNANCE:

Report on Corporate Governance duly approved by the Board of Directors in accordance with SEBI Listing Regulations, along with a certificate from the Statutory Auditors confirming the compliance is attached to this Board's Report as Annexures C and F.

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 SEBI Listing Regulations forms part of the Boards' Report.

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 Companies Act, 2013, 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 | 18,445.17 | 13,375.57 |
| Foreign Exchange Outgo | 18,322.76 | 13,333.81 |

PREVENTION AND REDRESSAL OF SEXUAL HARRASSEMENT AT WORK PLACE:

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 '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 and has complied with the provisions related to constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

HUMAN RESOURCES:

Your Company considers people as its biggest assets. It has put concerted efforts in talent management and succession planning practices, strong performance management, learning and training initiatives to ensure that your Company

consistently develops inspiring, strong and credible leadership. The Company has a structured induction process for all locations. During the year, your Company has ensured that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow.

The enthusiasm and unstinting efforts of employees have enabled the Company to improve productivity across the organization.

PERFORMANCE 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:

| Sr. No. | Name of the Directors | Designation | Ratio to median remuneration of the employees |
|----------------|------------------------------|--------------------------------------|--|
| 1. | Mr. Atul H. Mehta | Chairman and Managing Director | 72.09:1 |
| 2. | Mr. Bhavesh H. Mehta | Whole-time Director | 72.09:1 |
| 3. | Mr. Ganesh Shiva Ganesh | Non-Executive & Independent Director | NA |
| 4. | Mr. Vijay Agarwal | Non-Executive & Independent Director | 1.64:1 |
| 5. | Mrs. Preeti Trivedi* | Non-Executive & Independent Director | 0.55:1 |
| 6. | Mrs. Fatima Hussaini Nasab** | Non-Executive & Independent Director | 1.64:1 |

*Ceased to be Non-Executive & Independent Director on 22nd August, 2019.

**Appointed as Non-Executive & Independent Director w.e.f. 23rd August, 2019.

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

| Sr. No. | Name of the Directors | Designation | % increase in remuneration |
|----------------|------------------------------|--------------------------------|-----------------------------------|
| 1. | Mr. Atul H. Mehta | Chairman and Managing Director | NIL |

| | | | |
|----|----------------------------|--------------------------------------|-----|
| 2. | Mr. Bhavesh H. Mehta | Whole-time Director | NIL |
| 3. | Mr. Ganesh Shiva Ganesh | Non-Executive & Independent Director | NA |
| 4. | Mrs. Fatima Hussaini Nasab | Non-Executive & Independent Director | NIL |
| 5. | Mr. Vijay Agarwal | Non-Executive & Independent Director | NIL |
| 6. | Mr. Sunil Mehta | Chief Finance Officer | NIL |
| 7. | Ms. Ruchita Shah | Company Secretary | NIL |

iii) The percentage increase in the median remuneration of employees in the financial year: NIL

iv) The number of permanent employees on the rolls of Company: 735

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:

There was no change in the median percentage for the salaries of employees other than the managerial personnel.

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

| Name (Age) | Designation, Nature of duties & Date of commencement of Employment | Qualification /Experience | Gross Remuneration Rs. | Nature of employment | Relationship |
|--------------------|--|---------------------------|------------------------|----------------------|---|
| Atul H. Mehta (60) | Chairman & Managing Director, Specialized in Finance & Strategic Planning (16.06.2000) | MBA - U.S.A (30) | 1,32,00,000/- | Contractual | Brother of Mr. Bhavesh Mehta, Whole-time Director |

| | | | | | |
|-----------------------|--|------------|---------------|-------------|--|
| Bhavesh H. Mehta (47) | Whole-time Director, Specialized in Imports & Logistics (18.10.2000) | M.Com (23) | 1,32,00,000/- | Contractual | Brother of Mr. Atul Mehta, Managing Director |
|-----------------------|--|------------|---------------|-------------|--|

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

INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROLS:

The Company has an in-house Internal Audit (IA) function. To maintain its objectivity and independence, the IA function reports to the Chairman of the Audit Committee of the Board. The IA department evaluated the efficacy and adequacy of the internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company.

Additionally, the Board had appointed M/s. H. Rajen & Co., Chartered Accountants (Firm Reg. No. 108351W) as Internal Auditors of the Company in accordance with Section 138 of the Companies Act, 2013 to have financial control checks and ensure adequate transparency.

The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports and adequacy of internal controls. In order, to ensure that internal audit is conducted in a fair manner, the Board has appointed Malvika & Associates, Chartered Accountants, for financial year 2020-21.

STATUTORY AUDITORS:

The Company had appointed M/s. Bhogilal C. Shah & Co. having Firm Registration No.101424W, as the Statutory Auditors of the Company who shall hold the office for a period of 5 consecutive years from the conclusion of 18th Annual General Meeting till the conclusion of 23rd Annual General Meeting of the Company to be held in 2022. The requirement for annual ratification of Auditor's appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on 7th May, 2018. During the year, the Auditors' have confirmed that they satisfy the independence criteria required under Companies Act, 2013.

AUDITORS' REPORT, DISCLAIMER AND MANAGEMENT'S REPLY:

The Auditors' Report forms part of this Board's Report. There are no qualifications, reservations or adverse remarks made by M/s. Bhogilal C. Shah & Co., Statutory Auditors, in their report for the financial year ended 31st March, 2020. Hence, the report is self-explanatory.

SECRETARIAL AUDITOR:

The Board of Directors had appointed Mr. Virendra G. Bhatt, Practicing Company Secretary, Mumbai, to conduct Secretarial Audit for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 and the rules framed thereunder. The Secretarial Audit Report in form MR-3, for the financial year 2019-20, forms part of the Board's Report, attached as Annexure H.

There are no major qualifications, reservations or adverse remarks made by Practicing Company Secretary, in their report for the financial year ended 31st March, 2020. Hence, the report is self-explanatory.

SECRETARIAL STANDARDS:

The Company has complied with applicable Secretarial Standards as amended from time to time.

RELATED PARTY:

As a part of its philosophy of adhering to ethical standards, transparency and accountability and in line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has adopted a policy on Related Party Transactions which is placed on the Company's website. All the Related Party Transactions are in ordinary and normal course of business and at arm's length.

All Related Party Transactions are periodically placed before the Audit Committee and also before the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is attached to this Board's Report as Annexure I.

LOANS, GUARANTEES & INVESTMENTS:

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT AND STATEMENT OF DEVIATIONS AND VARIATIONS:

The Company had raised Rs. 16,83,66,897 by way of Preferential Allotment dated 1st March, 2019 and Rs. 10,00,00,000 by way of Private Placement dated 6th May, 2019 for General Corporate Purpose.

There have been no deviations or variations from the aforesaid object for which the funds were raised during the year.

AUDIT COMMITTEE:

The Audit Committee meets regularly to review reports, including significant audit observations and follow-up actions thereon. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on financial statements, including the financial reporting system, compliance to accounting policies and procedures.

The details pertaining to Audit Committee and its composition are included in the Corporate Governance Report which forms part of this Board's Report.

NOMINATION AND REMUNERATION COMMITTEE:

The Company follows a Policy on Remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board. The main objective of the said policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, Key Managerial Personnel and Senior Management employees. The Remuneration Policy for the Directors and Senior Management employees is stated in the Corporate Governance Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The details pertaining to composition and role of the Stakeholders' Relationship Committee is included in the Corporate Governance Report, which forms part of this Board's Report.

FAMILIARIZATION PROGRAMME:

The Familiarization Programme for Independent Directors aims to provide them an opportunity to familiarize 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 undertaken by the Company in this respect has been disclosed on the website of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, 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 31st March, 2020, 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 31st March 2020 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 31st March 2020 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.

INSURANCE & RISK MANAGEMENT:

Business risks exist for any enterprise having national and international exposure. Your Company also faces some such risks, the key ones being - a longer than anticipated delay in economic revival, unfavorable exchange rate fluctuations, emergence of inflationary conditions, rise in counterfeits and look-alikes and any unexpected changes in regulatory framework.

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.

FIXED DEPOSIT:

During the financial year under review, the Company accepted Fixed Deposits from its Members and from Public upto 28th September, 2018, in accordance with the provisions of Section 73 and 76, and other applicable provisions of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

The details relating to deposits in terms of Rule 8(5)(v) of the Companies (Accounts) Rules, 2014 are given hereunder:

| Sr. No. | Particulars | Amount (Rs. in Lakh) |
|----------------|---|------------------------------|
| 1. | Deposits accepted during the year from Members and/or Public | 0 |
| 2. | Deposits repaid during the year to Members and/or Public | 98.50 |
| 3. | Deposits outstanding as at 31 st March, 2019 | 142.50 |
| 4. | Deposits remaining unpaid or unclaimed at the end of the year | 50.00 |
| 5. | Whether there has been any default in repayment of deposits or payment of interest thereon during the year, and if so, number of such cases and the total amount involved :- i. At the beginning of the year ii. Maximum during the year iii. At the end of the year | NA NA NA |
| 6. | Details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013. | NA |

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. 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 Company's website.

MATERIAL CHANGES AND COMMITMENTS, IF ANY:

The Board was in need of funds and at its Meeting held on 30th March, 2019, approved and recommended its shareholders to raise funds under Private Placement mode by issue of 1,00,00,000 Cumulative Non-convertible Compulsorily Redeemable Preference Shares of Rs.10/- each amounting to Rs.10,00,00,000/- to Karvy Capital Limited Demeter Portfolio, to meet its general corporate ends. The shareholders approved the said issue vide Postal Ballot concluded on 6th May, 2019. These shares were credited to the eligible shareholder. In the aforesaid matter, the Board had executed an agreement which required alteration to the Articles of Association of the Company to the extent of inclusion of negative covenants. The shareholders had approved the same at the 20th Annual General Meeting of the Company.

The Company entered into a Service Agreement with HP to serve products such as printers, PC Commercials and Notebooks in Mumbai market to begin with.

Apart from above, there was no material change affecting the financial position of the Company from the date of closure of financial year till the date of signing of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.



COMPUAGE INFOCOM LTD.
Annual Report 2019-2020

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 of Directors
Compuage Infocom Limited

Sd/-
Atul H. Mehta
Chairman and Managing Director

Place: Mumbai
Date: 18th July, 2020

Registered Office:
D-601/602 & G-601/602,
Lotus Corporate Park,
Graham Firth Steel Compound,
Western Express Highway,
Goregaon (East),
Mumbai - 400 063.

Annexure A

FORM AOC-I
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL
STATEMENT OF SUBSIDIARY

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies
(Accounts) Rules, 2014)

The financial performance of the Subsidiary Company included in the Consolidated Financial Statements is detailed below:

1. Name of the Subsidiary : Compuage Infocom (S) Pte. Ltd.

2. Turnover
 - Current Period : NIL
 - Previous Period : NIL
 - Growth (%) : Not applicable

3. Profit/(Loss) Before Tax
 - Current Period : Rs. (25.07) Lakh
 - Previous Period- : Rs. 10.57 Lakh
 - Growth (%) - : -337.18

4. Profit/(Loss) After Tax
 - Current Period- : Rs. (25.07) Lakh
 - Previous Period- : Rs. 10.57 Lakh
 - Growth (%) - : -337.18

PART "A": SUBSIDIARIES

| Sr. No. | Particulars | Details |
|---------|--|--------------------------------|
| 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. |
| 5. | Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign | USD 1USD = 75.42 INR |

| | | |
|-----|-------------------------------|------------------|
| | subsidiaries. | |
| 6. | Share Capital | Rs.75.42 Lakh |
| 7. | Reserves and Surplus | Rs.25.84 Lakh |
| 8. | Total Assets | Rs.593.93 Lakh |
| 9. | Total Liabilities | Rs.593.93 Lakh |
| 10. | Investments | Nil |
| 11. | Turnover | Nil |
| 12. | Profit before taxation | Rs.(25.07) Lakh |
| 13. | Provision for taxation | Nil |
| 14. | Profit after taxation | Rs. (25.07) Lakh |
| 15. | Proposed Dividend | Nil |
| 16. | Extent of shareholding (in %) | 100 |

Notes:

1. Names of subsidiaries which are yet to commence operations - NIL
2. 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 Compuage Infocom Limited

Sd/-

Atul H. Mehta

Chairman & Managing Director

Place: Mumbai

Date: 18th July, 2020

Annexure B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Your Company strongly believes in the concept of 'sustainable livelihood' and this can be achieved only through active contribution to socio-economic development of communities in which the Company operates. Your Company's CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation.

CSR Policy of the Company is available on website of the Company at www.compuageindia.com

Composition of the CSR Committee:

| Name of Director | Designation |
|--|-------------|
| Mr. G. S. Ganesh (Independent Director) | Chairman |
| Mr. Vijay Agarwal (Independent Director) | Member |
| Mr. Bhavesh Mehta (Whole-Time Director) | Member |

Average Net Profit of the company for last 3 financial years : Rs.3155.28 Lakh
Threshold Limit (2% of the aforesaid amount) : Rs.63.11 Lakh

Details of CSR activities/projects undertaken during the year:

| Particulars | CSR project/activity identified | Sector in which the Project is covered | Projects/Programmes Local area/ Others | Amount outlay (budget) project/program wise | Amount spent on the project/Program | Cumulative spent upto the reporting period | Amount spent: Direct/through implementation agency |
|-------------|---------------------------------|--|--|---|-------------------------------------|--|--|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| | Health / Medical | | Provided medical assistance | 5271999.5 | 5271999.5 | 5271999.5 | Directly and through NGOs/C haritable houses |
| | Education | | Provided financial assistance to needy students. | 677155.7 | 677155.7 | 5949155.2 | Directly and through NGOs/C haritable houses |
| | Social | | To bring social upliftment in the society by extending support to underprivileged children, financial support to flood victims, etc. | 250000 | 250000 | 6199155.2 | Directly and through NGOs/C haritable houses |

(a) Total amount to be spent for the year: Rs. 68.03 Lakh

(b) Amount carried forward from earlier years: Nil

(c) Amount spent during the year: Rs. 61.99 Lakh

(d) Amount unspent during the year: Rs. 6.04 Lakh

* Details of the implementing agencies:

- United Way of Mumbai
- Inga Health Foundation
- Trade Association of Information Technology
- World Vision
- Mumbai Gujarathi Sangathan
- Win Over Cancer
- Divya Yog Mandir

In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

The Company is endeavored to ensure full utilization of the allocated CSR budget. During the year, the Committee proposed to take up long term projects and management is finding lucrative avenues. The amount which remained unspent is added to the CSR budget for the Financial Year 2020-21.

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company:

The activities carried out by the Company are in compliance with the CSR objectives and policy of the Company.

For Compuage Infocom Limited,

Sd/-
Atul Mehta
Chairman and Managing Director

Sd/-
Ganesh S. Ganesh
Chairman- CSR Committee

Place: Mumbai

Date: 18th July, 2020

Annexure C

CORPORATE GOVERNANCE REPORT

Corporate Governance is all about ethical conduct, openness, integrity and accountability of a Company. Healthy Corporate Governance enjoins a commitment of the Company to run the business in legal, ethical and transparent manner emanating from the top and permeating throughout the organization. It involves a set of relationships between a Company's Management, its Board, Shareholders and Stakeholders. It is one of the key elements in improving the economic efficiency of the Company. Credibility generated by sound Corporate Governance enables a Company in enhancing the confidence of the investors and in establishing productive and lasting business relationship with all stakeholders.

The report on Corporate Governance is in compliance with Schedule V of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as "**SEBI Listing Regulations**") is as follows:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's corporate governance philosophy rests on the pillars of integrity and fairness, reliability and commitment, transparency, maintaining ethical standards and environmental responsibility that confirms fully with laws, regulations and guidelines. It aims to achieve business excellence and maximize shareholder value through ethical business conduct, which also includes building partnerships with all stakeholders, employees, customers, vendors, service providers, local communities and government.

The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to exigency of long term shareholders value. Its initiatives towards adhering to highest standards of Governance includes self-governance, professionalization of the Board, fair and transparent processes and reporting systems and going beyond the mandated Corporate Governance requirements of SEBI. The Corporate Governance Principles implemented by your Company seeks to protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them.

Compuage Infocom Limited (hereinafter referred to as "**CIL**") believes, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving.

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 Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

2. Committees of the Board: The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

CIL's Company Secretary acts as the Secretary to all the Committees.

3. BOARD OF DIRECTORS

The composition of the Board of your Company is in conformity with Regulation 17 of SEBI Listing Regulations, consisting of 2 Executive Directors and 3 Non-Executive Independent Directors.

The Directors on the Board are highly renowned professionals drawn from diverse fields, possess the requisite qualifications and experience in general corporate management, finance, banking, insurance, economics and other allied fields which enable them to contribute effectively to your Company and enhance the quality of Board's decision making process. The Board had identified key skills, expertise, competencies that are required by the Board of Directors in the context of its business(es) and sector(s) for it to function effectively. The table below summarizes the key skills, expertise and competence and the Directors who possess such skills, expertise and competence:

| Skills, Expertise and Competence and their details | Mr. Atul H. Mehta | Mr. Bhavesh H. Mehta | Mr. Ganesh S. Ganesh | Mr. Vijay Agarwal | Mrs. Preeti Trivedi* | Mrs. Fatima Hussaini Nasab** |
|--|-------------------|----------------------|----------------------|-------------------|----------------------|------------------------------|
| Business Development | ✓ | ✓ | | | | |

| | | | | | | |
|---|---|---|---|---|---|--|
| Planning and developing strategies that enable sustainable growth. | | | | | | |
| Industry Experience Experience in 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. | ✓ | ✓ | | | | |
| Sales and Marketing Building brand awareness, identifying the business Strengths Weaknesses Opportunities and Threats, and thereby enhancing overall enterprise reputation. | ✓ | ✓ | | | | |
| Financial Management 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. | | | | | | |
| Leadership Extending leadership experience in the organizations, strategic planning and risk management. Developing talent and driving change for long term growth. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Business Judgement 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. | ✓ | ✓ | ✓ | ✓ | | |
| Human Resource Management Developing strategies to manage human resources and achieve change. | ✓ | ✓ | | | | ✓ |

*Ceased to be Non-Executive & Independent Director on 22nd August, 2019.

**Appointed as Non-Executive & Independent Director w.e.f. 23rd August, 2019

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

The tenure of the Independent Directors is in compliance with the Companies Act, 2013. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors, fulfills the conditions of independence specified in Section

149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations.

The Company through Familiarisation Programme as stated in https://www.compugageindia.com/c_governance.html, familiarizes not only the Independent Directors but any new appointee on the Board, with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. They are also informed of the important policies of the Company.

Membership, Attendance & 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 31st March, 2020 is given herein below:

| Name of Director | Designation | No. of Directorship in other Public Ltd. Companies | Other Companies Committees | | List of Directorship held in Other Listed Companies and Category of Directorship |
|---|---|--|----------------------------|--------------|--|
| | | | Membership | Chairmanship | |
| Mr. Atul Mehta (DIN: 00716869) | Promoter, Executive, Chairman & Managing Director | 1 | Nil | Nil | NA |
| Mr. Bhavesh Mehta (DIN: 00740861) | Promoter, Executive and Whole-time Director | Nil | Nil | Nil | NA |
| Mr. Ganesh S. Ganesh (DIN: 00010877) | Non-Executive & Independent Director | Nil | Nil | Nil | NA |
| Mr. Vijay Agarwal (DIN:) | Non-Executive & | 6 | 7 | 1 | <ul style="list-style-type: none"> Themis Medicare Limited |

| | | | | | |
|--|--------------------------------------|-----|-----|-----|--|
| 00058548) | Independent Director | | | | (Independent Director) • Gujarat Themis Biosyn Ltd (Independent Director) • RKN Retail Private Ltd. (Independent Director) |
| Mrs. Preeti Trivedi (DIN: 00179479) * | Non-Executive & Independent Director | 1 | 1 | Nil | • Gujarat Themis Biosyn Limited |
| Mrs. Fatima Hussaini Nasab (DIN: 08507217) ** | Non-Executive & Independent Director | Nil | Nil | Nil | NA |

*Ceased to be Non-Executive & Independent Director on 22nd August, 2019.

**Appointed as Non-Executive & Independent Director w.e.f. 23rd August, 2019

Notes:

1. The Directorship held by Directors as mentioned above, do not include Directorships in Compuage Infocom Limited and of Foreign Companies, Section 8 Companies of the Companies Act, 2013 and Private Limited Companies.
2. In accordance with the SEBI 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 Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) & the SEBI

Listing Regulations, none of the Directors hold Directorship in more than 20 public companies, membership of Board Committees (Audit Committees/ Stakeholders Relationship Committee) in excess of 10 and Chairmanship of Board Committees as aforesaid in excess of 5.

4. The requirements of Regulation 17 and Regulation 26 of the SEBI Listing Regulations have been duly complied with.
5. Except Mr. Atul H. Mehta, Chairman & Managing Director and Mr. Bhavesh H. Mehta, Whole-time Director, who are related to each other as brothers, none of the other Director is related to any other Director on the Board in terms of definition of 'relative' as per the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business strategies/policies including performance of the Company, employee relations, review the financial performance, etc. of the Company. The Board Meetings are pre-scheduled 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. This ensures timely and informed decisions by the Board.

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 2019-20, the Board met eleven times. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and SEBI Listing Regulations.

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

22nd April, 2019 :: 10th May, 2019 :: 16th May, 2019 :: 13th July, 2019 :: 13th August, 2019 :: 03rd September, 2019 :: 15th October, 2019 :: 14th November, 2019 :: 23rd November, 2019 :: 13th February, 2020 :: 26th February, 2020

| Name of the Directors | Relationship with other Directors | No. of Board Meetings Held | No. of Board Meetings Attended | Attendance at last A.G.M. |
|-----------------------------------|--|-----------------------------------|---------------------------------------|----------------------------------|
| Mr. Atul Mehta (DIN: 00716869) | Brother of Mr. Bhavesh Mehta | 11 | 11 | Yes |

| | | | | |
|---|---------------------------|----|----|-----|
| Mr. Bhavesh Mehta (DIN: 00740861) | Brother of Mr. Atul Mehta | 11 | 11 | Yes |
| Mr. Ganesh S. Ganesh (DIN: 00010877) | # | 11 | 11 | No |
| Mr. Vijay Agarwal (DIN: 00058548) | # | 11 | 4 | Yes |
| Mrs. Preeti Trivedi (DIN: 00179479)* | # | 5 | 1 | Yes |
| Mrs. Fatima Hussaini Nasab (DIN: 08507217)** | # | 7 | 4 | NA |

*Ceased to be Non-Executive & Independent Director on 22nd August, 2019.

**Appointed as Non-Executive & Independent Director w.e.f. 23rd August, 2019.

#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. Separate Board Meeting of Independent Directors was held to review the performance of Executive Directors and the Board as a whole.

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held to review the performance of Non-Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. All the Independent Directors of the Company were present at the meeting.

Code of Conduct:

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel as on 31st March, 2020 have affirmed their compliance with the code and a declaration to this effect given by the Chairman is enclosed at the end of this Report.

COMMITTEES OF THE BOARD

As per the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company has following Committees:

- A. Audit Committee,
- B. Stakeholders' Relationship Committee,
- C. Nomination and Remuneration Committee,
- D. Corporate Social Responsibility Committee.

A. AUDIT COMMITTEE

a) **Composition of Audit Committee:**

The Committee comprises of three Members who possess strong accounting and financial management knowledge. All the members of the Audit Committee are Independent Directors of the Company. Mr. Ganesh S. Ganesh, chairs the Committee. Ms. Ruchita Shah, Company Secretary, acts as a Secretary to the Committee. During the year, the tenure of Mrs. Preeti Trivedi, Non-Executive Independent Director and member of the Audit Committee, ceased on 22nd August, 2019, who expressed her unwillingness for re-appointment. Further, Mrs. Fatima Hussaini Nasab was appointed as Non-Executive Independent Director and member of the Audit Committee w.e.f. 23rd August, 2019.

The Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Chairman of the Audit Committee regularly interacts with the Internal Auditors and Statutory Auditors of the Company to have independent discussions with them. The previous Annual General Meeting of the Company was held on 21st August, 2019 and Mr. Vijay Agarwal, Authorised Representative of Mr. Ganesh S. Ganesh represented as Chairman of the Audit Committee.

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI Listing Regulations. They function in accordance with its terms of reference which define its authority, responsibility and reporting function.

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

The terms of reference/powers of the Audit Committee have been specified by the Board of Directors and include all aspects specified under Listing Regulations, as under:

- 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 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 Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - 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.
 - Qualifications 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 CFO;
 - The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and the Management of the Company;
 - 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;
 - To mandatorily review the following information;
 - To define significant related party transactions;
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief Internal Auditor
- c) **The details of meetings attended by the members of the Audit Committee are given below:**

| Name of Director | Category | Position | No. of meetings | |
|------------------------------|------------------------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr. Ganesh S. Ganesh | Non-Executive Independent Director | Chairman | 4 | 4 |
| Mr. Vijay Agarwal | Non-Executive Independent Director | Member | 4 | 4 |
| Mrs. Preeti K. Trivedi* | Non-Executive Independent Director | Member | 2 | 1 |
| Mrs. Fatima Hussaini Nasab** | Non-Executive Independent Director | Member | 2 | 2 |

*Ceased to be Non-Executive Independent Director and member of the Audit Committee on 22nd August, 2019.

**Appointed as Non-Executive Independent Director and member of the Audit Committee w.e.f. 23rd August, 2019.

The Committee met 4 times during the year under review. The said meetings were held on 16th May, 2019, 13th August, 2019, 14th November, 2019 and 13th February, 2020.

The necessary quorum was present for all the meetings.

B. NOMINATION AND REMUNERATION COMMITTEE

a) Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013. To ensure that remuneration to the Board and senior management is in line with the strategic aims of the business, the Company has a Nomination and Remuneration Committee. The Nomination and Remuneration Committee reviews and approves the annual salaries, performance commissions, service agreements and other employment conditions for Executive Directors.

The Committee comprises of three members, all of whom are Independent Directors of the Company. Mr. Ganesh S. Ganesh, chairs the Committee. Ms. Ruchita Shah, Company Secretary, acts as a Secretary to the Committee. During the year, the tenure of Mrs. Preeti Trivedi, Non-Executive Independent Director and member of the Nomination and Remuneration Committee, ceased on 22nd August, 2019, who expressed her unwillingness for re-appointment. Further, Mrs. Fatima Hussaini

Nasab was appointed as Non-Executive Independent Director and member of the Nomination and Remuneration Committee w.e.f. 23rd August, 2019.

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;
- Formulation of criteria for evaluation 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 Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- 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 on behalf of 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 our Company and the shareholders.
- 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 Nomination and Remuneration Committee to examine and recommend / approve.

c) The details of meetings attended by the members of the Nomination and Remuneration Committee are given below:

| Name of Director | Category | Position | No. of meetings | |
|----------------------|------------------------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr. Ganesh S. Ganesh | Non-Executive Independent Director | Chairman | 5 | 5 |

| | | | | |
|------------------------------|------------------------------------|--------|---|---|
| Mr. Vijay Agarwal | Non-Executive Independent Director | Member | 5 | 5 |
| Mrs. Preeti K. Trivedi* | Non-Executive Independent Director | Member | 2 | 1 |
| Mrs. Fatima Hussaini Nasab** | Non-Executive Independent Director | Member | 3 | 3 |

*Ceased to be Non-Executive Independent Director and member of the Nomination and Remuneration Committee w.e.f. 22nd August, 2019.

**Appointed as Non-Executive Independent Director and member of the Nomination and Remuneration Committee w.e.f. 23rd August, 2019.

The Committee 5 times during the year under review. The said meetings were held on 16th May, 2019, 13th August, 2019, 14th November, 2019, 23rd November, 2019 and 13th February, 2020.

Remuneration Policy:

The Company's Remuneration 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 considers the performance of the Company, current trend in the industry, the qualification of the appointee, his 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 of the Non-Executive Directors vis-à-vis the Company. The criteria for making payments to the Non-Executive Directors is as per the Terms and Conditions placed on the website of the Company.

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 & Managing Director | Rs.1,68,00,000/- p.a. | 3 years w.e.f. 08.09.2017 to 07.09.2020. |

| | | | |
|----------------------|---------------------|--------------------------|--|
| Mr. Bhavesh H. Mehta | Whole Time Director | Rs.1,68,00,000/- p.a. | 3 years w.e.f. 18.10.2017 to 17.10.2020. |
|----------------------|---------------------|--------------------------|--|

Remuneration to Non-Executive Directors:

The remuneration paid to Non-Executive Independent Directors of the Company, Mr. Vijay Agarwal, Mrs. Preeti K. Trivedi and Mrs. Fatima Hussaini Nasab, based on the recommendation of Nomination & Remuneration Committee is Rs.1,00,000/- each per Board Meeting attended. Whereas, Mr. Ganesh S. Ganesh, Non-Executive Independent Director of the Company stated his unwillingness towards acceptance of sitting fees for the Board and Committee meetings to be attended by him. The remuneration excludes reimbursement of expenses on actual basis to Directors for attending meetings of the Board/Committee.

| Name | Sitting Fees | Commission |
|----------------------------|--------------|------------|
| Mr. Vijay Agarwal | Rs.300000/- | 0 |
| Mrs. Preeti K. Trivedi | Rs.100000/- | 0 |
| Mrs. Fatima Hussaini Nasab | Rs.300000/- | 0 |

Presently, the Non-Executive Directors of the Company are not paid commission. Evaluation of the performance of the Non-Executive Directors is done by the Executive Directors, taking into consideration their skills, expertise and competence and contribution for the success of the Company.

Shareholding of Non-Executive Directors

Details of the Equity Shares held by Non-Executive Directors as on 31st March, 2020 is as under:

| Name of the Director | Nos. of Equity shares |
|------------------------------|-----------------------|
| Mr. Ganesh S. Ganesh | 1255 |
| Mr. Vijay Agarwal | NIL |
| Mrs. Preeti Trivedi* | NIL |
| Mrs. Fatima Hussaini Nasab** | NIL |

*Ceased to be Non-Executive & Independent Director on 22nd August, 2019.

**Appointed as Non-Executive & Independent Director w.e.f. 23rd August, 2019

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

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

a) Composition of Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of the SEBI Listing Regulations read with Section 178 of the Companies Act, 2013. The Committee comprises of three members viz. Mr. Ganesh S. Ganesh and Mrs. Fatima Hussaini Nasab, Non-Executive Independent Directors, and Mr. Atul Mehta, Chairman and Managing Director of the Company. Mr. Ganesh S. Ganesh, chairs the Committee. During the year, the tenure of Mrs. Preeti Trivedi, Non-Executive Independent Director and member of the Stakeholders' Relationship Committee, ceased on 22nd August, 2019, who expressed her unwillingness for re-appointment. Further, Mrs. Fatima Hussaini Nasab was appointed as Non-Executive Independent Director and member of the Stakeholders' Relationship Committee w.e.f. 23rd August, 2019. Ms. Ruchita Shah, Company Secretary, is designated as the "Compliance Officer" who oversees the redressing of the investors' grievances and acts as a Secretary to the Committee.

b) Terms of Reference of Stakeholders' Relationship Committee:

- Consider and resolve the grievances of security holders of the Company including redressing of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders' related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, 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 & 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 details of meetings attended by the members of the Stakeholders' Relationship Committee are given below:

| Name of Director | Category | Position | No. of meetings | |
|------------------------------|------------------------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr. Ganesh S. Ganesh | Non-Executive Independent Director | Chairman | 4 | 4 |
| Mr. Atul Mehta | Chairman & Managing Director | Member | 4 | 4 |
| Mrs. Preeti K. Trivedi* | Non-Executive Independent Director | Member | 2 | 1 |
| Mrs. Fatima Hussaini Nasab** | Non-Executive Independent Director | Member | 2 | 2 |

*Ceased to be Non-Executive & Independent Director on 22nd August, 2019.

**Appointed as Non-Executive & Independent Director w.e.f. 23rd August, 2019

- a) The Stakeholders' Relationship Committee met 4 times during the year under review. The said meetings were held on 16th May, 2019, 13th August, 2019, 14th November, 2019 and 13th February, 2020.
- b) The Company has also appointed Link Intime India Private Limited, Mumbai, to act as Registrar and Share Transfer Agent of the Company.
- c) Details of investor complaints received and redressed during the year 2019-20 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 Committee (hereinafter referred to as "CSR Committee") of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Committee comprises of three members viz. Mr. Ganesh S. Ganesh and Mr. Vijay Agarwal, Non-Executive Independent Directors, and Mr. Bhavesh Mehta, Whole-Time Director of the

Company. Mr. Ganesh S. Ganesh, chairs the Committee. Ms. Ruchita Shah, Company Secretary, acts as a Secretary to the Committee.

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 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;

c) The details of meetings attended by the members of the CSR Committee are given below:

| Name of Director | Category | Designation | No. of meetings attended | |
|----------------------|------------------------------------|-------------|--------------------------|----------|
| | | | Held | Attended |
| Mr. Ganesh S. Ganesh | Non-Executive Independent Director | Chairperson | 3 | 3 |
| Mr. Vijay Agarwal | Non-Executive Independent Director | Member | 3 | 2 |
| Mr. Bhavesh Mehta | Whole-time Director | Member | 3 | 3 |

The CSR Committee met 4 times during the year under review. The said meetings were held on 16th May, 2019, 13th August, 2019, 14th November, 2019 and 13th February, 2020..

The details of the CSR initiatives of the Company forms part of the CSR Section in the Annual Report. The CSR Policy has been placed on the website of the Company and can be accessed through the following link:

https://www.compuageindia.com/c_governance.html

Subsidiary Companies:

Compuage Infocom (S) Pte. Ltd. is a Subsidiary of the Company, incorporated as per laws of Singapore located at 69, UBI Crescent, #03-04 CES Building, Singapore (408561).

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

The Audit Committee reviews the financial statements including investments. Also, copies of the minutes of the subsidiary company are placed before the Board of the Company on a periodical basis.

GENERAL BODY MEETINGS

Annual General Meetings:

1. Location, date and time of General Meetings held in last 3 years:

| Year | AGM/ EGM | Date | Time | Venue | Special Business |
|-------------|-------------------------|----------------|---------------|--|---|
| 2018 -19 | 20 th AGM | 21.08 .2019 | 10:00 a.m. | Hotel Bawa International, Near Domestic Airport, Next to Orchid Hotel, Vile Parle East, Mumbai - 400099 | <ol style="list-style-type: none"> 1. Appointment of Branch Auditors and fix their remuneration; 2. Re-appointment of Mr. Ganesh Shiva Ganesh (DIN: 00010877) as an Independent Director; 3. Re-appointment of Mr. Vijay Agarwal (DIN: 00058548) as an Independent Director; 4. Appointment of Mrs. Fatima Hussaini Nasab (DIN: 08507217) as an Independent Director; 5. Amendment of Articles of Association. |
| 2018 -19 | EGM | 01.03 .2019 | 10:00 a.m. | Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034 | <ol style="list-style-type: none"> 1. Increase in Authorised Share Capital and consequential alteration of Capital Clause of Memorandum of Association; 2. Issue upto 62,35,811 Equity Shares on Preferential Issue basis; 3. Issue upto 1,00,00,000 Optionally Convertible Preference Shares on Preferential Issue basis. |
| 2017 -18 | 19 th AGM | 28.09 .2018 | 10:00 a.m. | Victoria Memorial | <ol style="list-style-type: none"> 1. Appointment of Branch Auditors and fix their |

| | | | | | |
|---------|----------------------|-------------|------------|--|--|
| | | | | School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034 | remuneration; 2. Approve the aggregate annual remuneration payable to the Promoter-Executive Directors /Members of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013 |
| 2016-17 | 18 th AGM | 23.09 .2017 | 10:00 a.m. | Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034 | 1. Re-appointment of Mr. Atul H. Mehta (DIN: 00716869) as Managing Director; 2. Re-appointment of Mr. Bhavesh H. Mehta (DIN: 00740861) as Whole-time Director; 3. Shareholders request on service of documents. |

Postal Ballot:

During the year, there was no resolution passed through Postal Ballot. However, the Board at its meeting held on 30th March, 2019 recommended Members to approve issue and allotment of 1,00,00,000; 9% Cumulative Non-convertible Compulsorily Redeemable Preference Shares (CNCRPS) having face value of Rs.10/- (Rupees Ten only) each at par, aggregating to Rs.10,00,00,000/- (Rupees Ten Crore only) in one or more tranches to Karvy Capital Limited A/C Demeter Portfolio under Private Placement mode and ratification pertaining to disclosures in the explanatory statement of the Extra Ordinary General Meeting (EGM) notice dated 31st January, 2019 (*Special Resolutions*). The Postal Ballot process commenced on 7th April, 2019 and concluded on 6th May, 2019. Mr. Virendra Bhatt, Practicing Company Secretary was appointed as Scrutinizer to conduct the said Postal Ballot process in fair and transparent manner. He submitted the combined results of Postal Ballot and E-voting alongwith his report on 7th May, 2019 to Mr. Atul H. Mehta, Chairman and Managing Director and the results were declared on the same day. The date of passing the resolution was 6th May, 2019.

MEANS OF COMMUNICATION

We recognize communication as a key element of the overall Corporate Governance framework, and therefore emphasis is on prompt, continuous, efficient and relevant communication to all external constituencies. We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts and the society at large.

I. Quarterly/Half Yearly/Annual Results:

The quarterly/ half yearly/ annual financial results are usually published in Business Standard having nationwide circular and in Mumbai Lakshadeep have regional circular. The results are also submitted to Stock Exchanges in accordance with the SEBI Listing Regulations.

II. Website: The Company's website www.compuageindia.com contains a separate section 'Investor Relations' for use of investors. The quarterly, half yearly and annual financial results, press releases are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website. The details of unclaimed dividends are also available in the Investor Relations section, to help the Shareholders to claim their dividend. In addition, various downloadable forms required to be executed by the shareholders have been also provided on the website.

III. Communication to Shareholders on email: As mandated by the Ministry of Corporate Affairs documents like Notices, Annual Report, etc. were sent to the Shareholders at their email address, as registered with their Depository Participants/ Registrar and Transfer Agents. This helped in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

IV. NEAPS (NSE Electronic Application Processing system), BSE Corporate Compliance & Listing Centre Portal: NSE and BSE have developed web based applications for corporates. All compliances like Financial Results, Shareholding Pattern and Corporate Governance Report, etc. are filed electronically on NEAPS and BSE Listing Centre.

V. Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report forms

part of the Annual Report. The Annual Report is also available on the Company's website.

GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting

Date and Time : 18th August, 2020 at 11:00 a.m.

2. Board Meeting for considering of Audited Accounts: 23rd June, 2020

3. Book Closure Date: 11th August, 2020 to 18th August, 2020 (both days inclusive)

4. Dividend Payment Date: On or after 19th August, 2020

5. Financial year: 1st April, 2019 to 31st March, 2020

6. Registered Office: Compuage Infocom Ltd.
D-601/602 & G-601/602,
Lotus Corporate Park,
Graham Firth Steel Compound,
Western Express Highway,
Goregaon (East), Mumbai - 400 063.

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 - 400001.

➤ **National Stock Exchange of India Ltd. (NSE)**

Address: Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.

8. Stock Exchanges Code:

| | |
|---------------------------|--------------|
| ISIN No.: | INE070C01037 |
| BSE Security Code: | 532456 |
| BSE Security Id: | COMPUAGE |
| NSE Symbol: | COMPINFO |

9. Stock Price Data:

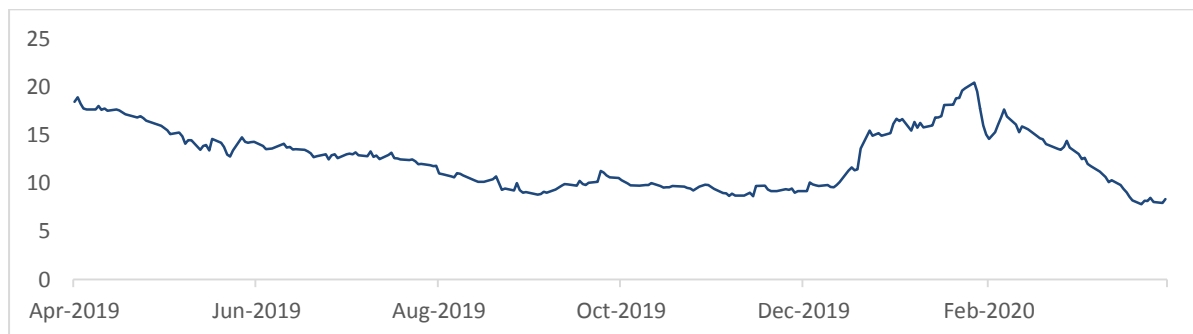
The monthly movement of equity share prices during the year at **BSE and National Stock Exchange of India Limited (NSE)** is summarized below:

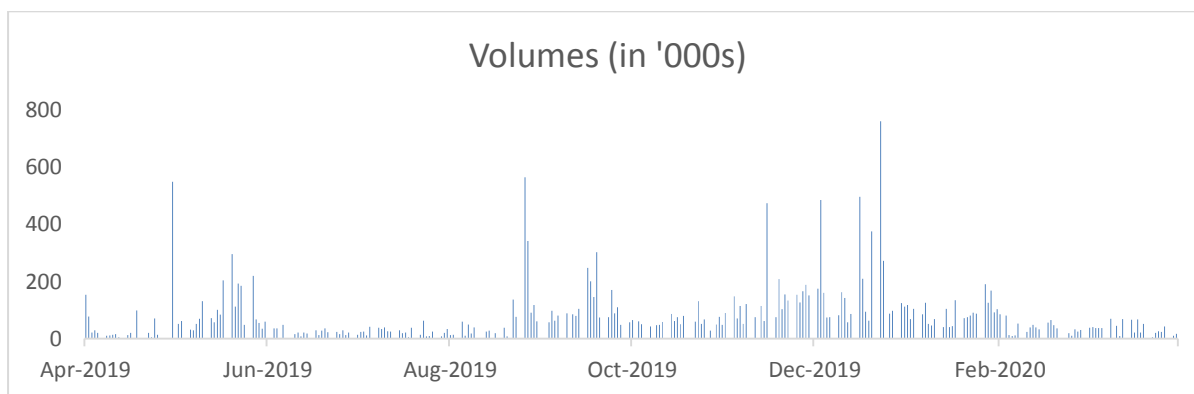
| Month | Monthly Share Price movement during the financial year ended 31 st March 2020 at BSE | | Monthly Share Price movement during the financial year ended 31 st March 2020 at NSE | |
|----------------|---|-------|---|-------|
| | *BSE | | *NSE | |
| | High | Low | High | Low |
| April 2019 | 20.75 | 14.80 | 20.60 | 15.30 |
| May 2019 | 16.35 | 12.30 | 16.50 | 12.70 |
| June 2019 | 14.70 | 12.30 | 14.50 | 12.40 |
| July 2019 | 14.70 | 10.60 | 14.30 | 10.30 |
| August 2019 | 12.00 | 8.20 | 12.70 | 8.70 |
| September 2019 | 11.80 | 8.60 | 11.90 | 8.60 |
| October 2019 | 11.00 | 9.00 | 11.40 | 9.00 |
| November 2019 | 11.00 | 8.50 | 10.40 | 8.00 |
| December 2019 | 16.50 | 9.10 | 16.50 | 9.00 |
| January 2020 | 21.00 | 14.70 | 21.00 | 14.60 |
| February 2020 | 18.50 | 12.80 | 18.30 | 12.40 |
| March 2020 | 14.40 | 7.50 | 14.10 | 7.50 |

Source: BSE Website and NSE Website

10. Stock Performance:

The Performance of the Company's shares relative to the BSE Sensitive Index (SENSEX) is given in the Chart below:





11. 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**.

12. Payment of Depository Fees and Listing Fees:

Annual Custody/Issuer fees for the year 2020-21 has been paid by the Company to NSDL and CDSL.

Annual Listing Fees for the year 2020-21 has been paid by the Company to BSE and NSE.

13. Registrar & Transfer Agents (RTA):

| | | |
|----------------|---|--|
| Name & Address | : | Link Intime India Private Limited C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai: 400 083. Phone No.: 022 49186000, 022 49186270 |
| Fax No. | : | 022 49186060 |
| E-Mail | : | rnt.helpdesk@linkintime.co.in |

14. 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, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations, and files a copy of the same with the Stock Exchanges.

15. (i) Distribution of Shareholding as on 31st March, 2020:

| Shareholding of Nominal Value | Shareholders | | Shares Amount | |
|-------------------------------|--------------|---------------|---------------|---------------|
| | Nos. | % | Nos. | % |
| 1 - 1,000 | 6448 | 81.3217 | 2056664.00 | 1.5826 |
| 1,001 - 2,000 | 617 | 7.7816 | 1811156.00 | 1.3937 |
| 2,001 - 4,000 | 365 | 4.6034 | 1927582.00 | 1.4833 |
| 4,001 - 6,000 | 146 | 1.8413 | 1106612.00 | 0.8516 |
| 6,001 - 8,000 | 58 | 0.7315 | 1099848.00 | 0.8464 |
| 8,001-10,000 | 64 | 0.8072 | 1051464.00 | 0.8091 |
| 10,001 - 20,000 | 111 | 1.3999 | 2454120.00 | 1.8885 |
| 20,001 and above | 120 | 1.5134 | 118444166.00 | 91.1448 |
| Total | | 100.00 | | 100.00 |

(ii) Category of Shareholdings as on 31st March, 2020:

| Category | No. of shares | % of Shareholding |
|---|---------------|-------------------|
| Promoters & Promoters Group | 37902990 | 58.3340 |
| Clearing Member | 71819 | 0.1105 |
| Foreign Company | 164175 | 0.2527 |
| Foreign Portfolio Investor (Corporate) | 4729039 | 7.2782 |
| Foreign Portfolio Investor (Individual) | 480251 | 0.7391 |
| Hindu Undivided Family | 614534 | 0.9458 |
| Investor Education and Protection Fund | 574365 | 0.8840 |
| Directors | 1255 | 0.0019 |
| Nationalised Banks | 22320 | 0.0344 |
| Non Resident (Non Repatriable) | 403733 | 0.6214 |

| | | |
|------------------------|----------|---------------|
| Non Resident Indians | 2469315 | 3.8004 |
| Other Bodies Corporate | 2697690 | 4.1518 |
| Public | 14844320 | 22.8459 |
| Total | | 100.00 |

(iii) Details of Demat / Unclaimed Suspense Account:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

16. Financial Release Dates:

| Quarter | Release Date (Tentative and subject to change) |
|---|---|
| 1 st Quarter ending 30 th June | Mid of August 2020 |
| 2 nd Quarter ending 30 th September | Mid of November 2020 |
| 3 rd Quarter ending 31 st December | Mid of February 2021 |
| 4 th Quarter ending 31 st March | Mid of May 2021 |

17. Dematerialisation of shares and liquidity and Lock-in of Shares:

(a) Dematerialisation Position as on 31st March, 2020:

| 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 % |
|-----------------------------------|----------------------|---|--------------|--|--------------|
| 64975806 | 64975806 | 64473101 | 99.23 | 502705 | 0.77 |

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

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

(b) Details of Locked-in Shares:

- i) Below are the Lock-In details of the shares allotted under preferential issue on 30th March, 2019:

| Name of the Allottee | No. of Equity shares allotted | Distinctive Nos. | | Lock-In upto |
|--|-------------------------------|------------------|----------|---------------------------------|
| | | From | To | |
| Bhavesh Harkishandas Mehta Jt. Forum Bhavesh Mehta | 710500 | 58739996 | 59450495 | 30 th September 2022 |
| Atul Harkishandas Mehta Jt. Falguni Atul Mehta | 710500 | 59450496 | 60160995 | 30 th September 2022 |
| Ajay Harkishandas Mehta Jt. Manisha Mehta | 180000 | 60160996 | 60340995 | 30 th September 2022 |
| Ajay H. Mehta | 190370 | 60340996 | 60531365 | 30 th September 2022 |
| Dilip S. Mehta | 1666666 | 60531366 | 62198031 | 30 th September 2020 |
| Aahad Jagmagia | 370370 | 62198032 | 62568401 | 30 th September 2020 |
| Khadija Jagmagia | 92592 | 62568402 | 62660993 | 30 th September 2020 |
| Suketu Sanghvi | 740740 | 62660994 | 63401733 | 30 th September 2020 |
| Pravin Vutukuri | 1111111 | 63401734 | 64512844 | 30 th September 2020 |
| Sunil Mahendrakumar Mehta Jt. Kamal Mahendrakumar Mehta | 351851 | 64512845 | 64864695 | 30 th September 2020 |
| Harjivan Muljibhai Darji Jt. Shakuntala Darji | 111111 | 64864696 | 64975806 | 30 th September 2020 |

18. Outstanding GDRs/ADRs:

The Company has not issued any GDRs/ADRs, therefore question of outstanding GDRs / ADRs, etc. as at the end of 31st March 2020, does not arise.

19. 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:

The Company Secretary
Compuage Infocom Limited
D-601/602 & G-601/602, Lotus Corporate Park,
Graham Firth Steel Compound, Western Express Highway,
Goregaon (East), Mumbai - 400 063.
Tel. No.: 91-22-67114444,
Fax: 022-67114445
Email: 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 49186000, 022 49186270 ;
Fax: 022 49186060;
E-mail: rnt.helpdesk@linkintime.co.in

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

(ii) Any query on Annual Report:

Registered office of the Company as mentioned aforesaid.

20. Dates for transfer of Unclaimed Dividend to IEPF Account:

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 (IEPF or Fund) of the Central Government:

| Dividend | Date of declaration of Dividend | Due date for transfer to IEPF |
|-----------------|--|--------------------------------------|
| 2012-13 (Final) | 07.09.2013 | 07.11.2020 |
| 2013-14(Final) | 23.08.2014 | 21.10.2021 |
| 2014-15(Final) | 25.09.2015 | 23.11.2022 |
| 2015-16(Final) | 24.09.2016 | 24.11.2023 |
| 2016-17(Final) | 23.09.2017 | 25.11.2024 |
| 2017-18(Final) | 28.09.2018 | 02.12.2025 |
| 2018-19 (Final) | 21.08.2019 | 23.10.2026 |

21. Vigil Mechanism / Whistle Blower Policy:

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably.

Ethics is at the core of any business. Your Company, in staying true ethically and connected to its values of strength, performance and passion, has established a Vigil Mechanism/Whistle Blower Policy to deal with instances of fraud and mismanagement, if any, pursuant to the Companies Act, 2013 and the SEBI Listing Regulations. Accordingly, this Whistle Blower Policy has been formulated for Directors and employees of the Company to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct. Adequate safeguards have been provided in the policy to prevent victimization of anyone who is using this platform and direct access to the Chairman of the Audit Committee is also available in exceptional cases. The policy is also posted on the website of the Company. The Audit Committee has ensured that neither complaints have been lodged against vigil mechanism nor any personnel have been denied access to the Audit Committee.

22. 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.

23. Below are the details of the credit rating obtained during the financial year:

| Facility | Amount (Rs. in Crore) | Rating |
|--------------------------------|------------------------------|---|
| Long-term Bank Facilities (FB) | 425.50 | IVR A- /Stable Outlook (IVR A Minus with Stable Outlook) |
| Short-term | 535.00 | IVR A- /Stable Outlook |

| | | |
|--------------------------|--|--|
| Bank Facilities (NFB) | | (IVR A Minus with Stable Outlook) & IVR A2+ (IVR A Two Plus) |
|--------------------------|--|--|

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 Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.compuageindia.com
- c) There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- d) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three year under review. The Company has in place a mechanism to inform the Board Members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- e) Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.compuageindia.com
- f) During the year ended 31st March, 2020, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the SEBI Listing Regulations. The Company has framed the policy for determining material subsidiary as required by under Regulation 16 of the SEBI Listing Regulation and the same is disclosed on the Company's website viz. www.compuageindia.com

- g) 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.
- h) The funds raised through preferential allotment as specified under Regulation 32 (7A) is utilized by the Company to meet general corporate purposes in order to generate long term resources for implementing future growth plans and to strengthen the financial position of the Company
- i) A certificate from a Company Secretary in practice is annexed herewith as a part of report in 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.
- j) During the financial year, there has been no such case where any recommendation of any committee of the Board was not accepted by the Board.
- k) The total fees for all services paid by the listed entity 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.
- l) During the year under review, there were no complaints filed in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- m) The Company has implemented the mandatory requirements of Corporate Governance as set out in the SEBI Listing Regulations. In respect of compliance with the non-mandatory requirements, the internal auditor reports directly to the Audit Committee as well as Board.
- n) Compliance Certificate as required under as stipulated in Chapter IV of the SEBI Listing Regulations obtained from Practicing Chartered Accountant, certifying the Compliance by the Company with the provisions of Corporate Governance of the Listing Regulations is given as an Annexure F to this Report.
- o) 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 SEBI Listing Regulations.

Annexure D

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.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Compuage Infocom Limited** having CIN: L99999MH1999PLC135914 and having registered office at D-601/602 & G-601/602, Lotus Corporate Park, Steel Compound, Western Express Highway, Goregaon (East), Mumbai - 400063 (Hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

| Sr. No. | Name of the Director | DIN | Date of Appointment at current Designation | Original Date of Appointment |
|---------|---------------------------|----------|--|------------------------------|
| 1 | Ganesh Shiva | 00010877 | 18/10/2000 | 18/10/2000 |
| 2 | Vijay Gopi Kishan Agarwal | 00058548 | 24/06/2006 | 24/06/2006 |
| 3 | Atul Harkishandas Mehta | 00716869 | 08/09/2008 | 08/09/2008 |
| 4 | Bhavesh Mehta | 00740861 | 18/10/2008 | 18/10/2000 |
| 5 | Fatima Hussaini Nasab | 08507217 | 23/08/2019 | 13/07/2019 |



Speed
Reliability
Value Performance

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Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. 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.

Date: 23rd June, 2020

Place: Mumbai

Sd/-

Virendra G. Bhatt

Practicing Company Secretary

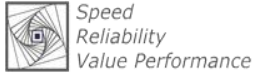
ACS No.: 1157 / COP No.: 124

Annexure E

CMD & CFO COMPLIANCE CERTIFICATE

To,
The Board of Directors
Compuage Infocom Limited
D-601/602 & G-601/602, Lotus Corporate Park, Graham Firth,
Steel Compound, Western Express Highway, Goregaon (E),
Mumbai - 400063.

- A. We have reviewed the Audited Financial Statements and the Cash Flow Statement for the year ended 31st March, 2020 and that to the best of their knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the period which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:
1. There were no significant changes in internal control over financial reporting during the year;
 2. There was no change in accounting policies, during the year; and



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3. There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For **Compuage Infocom Limited**

Place: Mumbai

Date: 23rd June, 2020

Sd/-

Atul Mehta

**Chairman and Managing
Director**

Sd/-

Ganesh S. Ganesh

**Chairman - Audit
Committee**

Annexure F

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Compuage Infocom Limited

We have examined the compliance of conditions of Corporate Governance by Compuage Infocom Limited, ('the Company'), for the year ended on 31st March, 2020 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We, further, state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For M/s. Bhogilal C. Shah & Co.,
Chartered Accountants
Firm Registration No.: 101424W**

**Sd/-
Suril Shah
Partner
Membership No.: 42710**

Place: Mumbai
Date: 18th July, 2020



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Annexure G

DECLARATION REGARDING CODE OF CONDUCT

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

For Compuage Infocom Limited

**Sd/-
Atul H. Mehta
Chairman & Managing Director**

Place: Mumbai,

Date: 18th July, 2020

Annexure H

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Compuage Infocom Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Compuage Infocom Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's statutory registers, papers, minute books, forms and returns filed with the Registrar of Companies ('the ROC'), soft copy of the various records sent over mail as provided by the Company and other relevant records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, has prima facie complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the statutory registers, papers, minute books, forms and returns filed with the ROC and other relevant records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2020:-

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (vi) I, further report that based on the Compliance Report of various laws submitted by the Company, the Company has proper system to comply with the applicable laws.

I have also examined compliance with the applicable clauses of the following and I am of the opinion that the Company has prima facie complied with the applicable provisions:

- (a) The Listing agreements entered into by the Company with Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (b) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

During the period under review, I am of the opinion that the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except the following:

- i) The Company has filed report under Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended 30th June, 2019 before signing of this report.*
- ii) The Company has not updated the Information regarding Statutory Auditor as required by BSE Circular no. LIST/COMP/54/2019-20 dated 20th January, 2020.*

I further report that:

1. I have not examined the Financial Statements, Financial books and related financial Act like Income Tax, Sales Tax, Value Added Tax, Goods and Services Tax, ESIC, Provident Fund, Professional Tax, Foreign Currency Transactions, Related Party Transactions etc., For these matters, I rely on the report of statutory auditors for Financial Statement for the financial year ended 31st March, 2020.
2. The board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took

place during the period under review were carried out in compliance with the provisions of the Act.

3. As per the information provided the company has prima facie given adequate notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.
4. As per the information provided by the Company and as per the minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as part of the minutes.
5. There are prima facie adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines subject to observations and qualifications, if any made by the Statutory Auditors in their report.
6. The management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/files required by the concerned authorities and internal control of the concerned department.
7. During the period under review, the Company has issued and allotted on 10th May, 2019, 1,00,00,000 (One Crore) Cumulative, Non-Convertible, Compulsorily Redeemable Preference Shares (CNCRPS) having face value of Rs. 10/- each, at par, to Karvy Capital Limited, Non-Promoter on Private Placement basis for cash consideration and the shares are unlisted. The allotment of shares was approved by Shareholders vide Postal Ballot dated 07th May, 2019.
8. During the period under review, the Company has not accepted any deposit and deposit insurance in respect of carry forward deposits, as informed by the Company; the insurance companies had no such policy for deposit insurance.
9. During the period under review, as per the information provided by the Company, prima facie there were no instances of transaction in the securities of the Company during the closure of window.
10. I further report that during the audit period, there were no instances of:

- i. Public/ Rights/debentures/ sweat equity, etc, except issue of preference shares on private placement basis;
- ii. Issue of equity shares under Employee Stock Option Scheme;
- iii. Redemption / Buy- back of securities;
- iv. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs;
- v. Merger / amalgamation / reconstruction etc.;
- vi. Foreign Technical Collaborations.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the Management has conducted the affairs of the company.



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7. Due to COVID - 19 and continuous Lockdown, we were able to partially verify the information physically, therefore we rely on the information provided by the Company in electronic mode.

Date: 23rd June, 2020

Place: Mumbai

Sd/-
Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124

Annexure I

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 Compuage Infocom Limited

Place: Mumbai
Date: 18th July, 2020

Sd/-
Atul H. Mehta
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Through the journey of more than three decades, Compuage Infocom Limited has emerged as one of India's leading IT and Mobility products distribution intermediary, appearing among the Fortune 500 list of Indian companies. It has developed a strong network of resellers to spread the wave of digital connectivity across the length and breadth of the nation and beyond. Its product offerings include computers, components and peripherals, cloud computing, mobility products, enterprise solutions and physical safety and security.

The Company is headquartered at Mumbai with 46 offices, 26 warehouses, 70 service centres, spread across 600+ cities and towns across the country. It has a strong network of 12,500+ resellers which ensures seamless distribution of products. The Company has its global footprints over 7 countries across SAARC nations with the set-up in Singapore to manage them.

Over the years, the Company has tied up with various renowned international digital brands. Just to name, it has recently become a Distributor Partner for Zhejiang Dahua Technology Co., Ltd. the world-leading video-centric smart IoT solution and service provider.

Overall, the year gone by was a good year. The Company, during the year, has signed a Service Agreement with HP to serve products such as Printers, PC Commercials and Notebooks. This collaboration will, in turn, help the Company grow further in future as they will have many more products into their distribution vertical. This will, in turn, increase the number of resellers and hence the customers. The Company has also entered into a distribution agreement with GOQii which will further enhance the reach of the Company's parameters.

Industry structure and developments

Cloud Computing is one of the technological innovations that has revolutionised the way people run their businesses. With its pay-per-user model, it has introduced a new concept of consumption and delivery in IT. It gives organisations an opportunity to enhance their business productivity and gain a competitive advantage via infrastructure-free IT. According to NASSCOM report, the growth in the usage and acceptance of Big Data, Analytics, Artificial Intelligence (AI) and Internet of Things (IoT) is likely to push India's Cloud market to a three-fold growth to USD 7.1 billion by 2022. The report also projects the Indian Software as a

Service (SaaS) as a market to grow 36% annually and touch USD 3.3 to 3.4 billion by 2022. The Indian Cloud computing market is rapidly penetrating across all sizes of businesses.

Types of cloud services

- Software as a Service (SaaS): Computing service provider offers prepared to utilise, halfway and remotely hosted web applications to clients.
- Infrastructure as a Service (IaaS): Firms outsource their IT assets and supplies, such as networking, data centre, storage and networking.
- Platform as a Service (PaaS): End to end IT arrangements are conveyed, appropriate from sourcing types of gear to setup and sending to continuous management of cloud applications.

Compuage has developed a robust business model which involves all the verticals such as PC, components and peripherals, physical safety and security, Enterprise solution and Mobility products with a special focus on Cloud computing.

Product-wise performance

PC, Components and Peripherals

The Indian IT industry has been progressing steadily over the past few years. The spread and reach of computers and IT systems has helped the industry grow in leaps and bounds. The increasing level of disposable income coupled with the high level of utility and efficiencies has led to this surge amongst both corporates as well as the households. The reach of internet throughout the nation has further boosted the demand for PCs, computers, laptops and tablets. Economies, jobs and personal lives are becoming more digital, more connected and more automated. Waves of innovation build over time, powering the technology growth engine that appears to be on the cusp of another major step forward.

With continuous advancement in technologies, the pricing has remained more or less stable across different versions of the equipment. Other factors that have contributed to this growth include:

Consumer awareness: Consumers are becoming increasingly technology-conscious and are demanding products with built-in artificial intelligence.

Niche solutions: Numerous technology start-ups offering niche solutions in Artificial Intelligence, Machine Learning, Internet of Things, Block chain and

Automation. The increased adoption of next-generation technologies by organisations is driving growth in the IT peripherals and components market.

Favourable demography: India has more than 50% of its population below the age of 25 and more than 65% below the age of 35. It is expected that, in 2021, the average age of an Indian will be 29 years. Due to increasing young population, there will be higher demand for the latest technology mobile phones, laptops and computers as well.

Government initiatives: The Government has been actively promoting Digital India to efficiently utilise the power of technology. It has been taking initiatives to promote computer education for students right from their school days.

Cloud computing

Cloud computing is the latest technological innovation available to the aspiring organisations which provide the delivery of different services through internet. These resources include tools and applications like data storage, servers, databases, networking and software. It is an emerging field that uses internet and central remote servers to maintain data and application. It is the delivery of on-demand computing services – from applications to storage and processing power – typically over the internet and on pay-as-you-go basis.

The concept is steadily gaining momentum with its acceptance across several corporate and Government agencies. According to 451 Research's Market Monitor, revenue from Cloud Computing as a Service would go upto \$52 billion.

Cloud computing benefits

The exact benefits will vary according to the type of cloud service being used but, fundamentally, using cloud services means companies not having to buy or maintain their own computing infrastructure.

No more buying servers, updating applications or operating systems, or decommissioning and disposing of hardware or software when it is out of date, as it is all taken care of by the supplier. For commodity applications, such as email, it can make sense to switch to a cloud provider, rather than rely on in-house skills. A company that specializes in running and securing these services is likely to have better skills and more experienced staff than a small business could afford to hire, so cloud services are able to deliver a more secure and efficient service to end users.

Using cloud services means companies can move faster on projects and test out concepts without lengthy procurement and big upfront costs, because firms only pay

for the resources they consume. This concept of business agility is often mentioned by cloud advocates as a key benefit. The ability to spin up new services without the time and effort associated with traditional IT procurement should mean that is easier to get going with new applications faster. And if a new application turns out to be wildly popular, the elastic nature of the cloud means it is easier to scale it up fast.

For a company with an application that has big peaks in usage, for example, that is only used at a particular time of the week or year, it may make financial sense to have it hosted in the cloud, rather than have dedicated hardware and software laying idle for much of the time. Moving to a cloud hosted application for services like email or CRM could remove a burden on internal IT staff, and if such applications don't generate much competitive advantage, there will be little other impact. Moving to a services model also moves spending from capex to opex, which is useful for companies.

Mobility products

Mobile phones have penetrated the Indian households with a tremendous rate in the last decade. India has become a major smartphone market, and this is why leading smartphone manufacturers like Apple and Samsung consider the Eastern markets while making changes and adding new features to their devices. The quick and widespread adoption of smartphones in India has led to demand and supply deficit which could be met through increased imports, or by increasing the country's manufacturing infrastructure. With India's increased production capacity and reduced imports of smartphones, the trading partners and suppliers have shifted their focus towards servicing the infrastructure and software environment needs of the mobile market. With 5G technology now approaching, it brings a lot of new opportunities of hosting exciting new services. The boundaries between mobile and the wider digital ecosystem is rapidly disappearing with almost everything from the digital world like camera, phone, computer, scanners are getting accommodated in the mobile phone itself which is creating a lot of new opportunities for this market.

Enterprise solutions

Digitisation has revolutionised the way corporates are adopting automation and efficiency measures. With time and technology, most of the companies are thriving to leverage the complete power of Artificial Intelligence. Companies look for one stop solutions that will serve all their requirements of infrastructure such as networking, security, software products and many more. Enterprise mobility solutions can play a crucial role in this department. Indian corporates are steadily adopting enterprise solutions supported by cloud-based infrastructure and enhanced artificial intelligence. This increasing demand will help the market grow

over a long span of time. Enterprise solutions are designed to integrate multiple facets of a company's business through the interchange of information from various business process areas and related databases. These solutions enable companies to retrieve and disseminate mission-critical data throughout the organization, providing managers with real-time operating information.

Physical safety and security

There have been growing incidents of crime, thefts, burglary and vandalism, necessitating the need of security and surveillance. It has led to a steady surge in the installations of surveillance equipment across corporate offices, banks, hospitals, malls, shopping complexes, housing societies, retail stores, railway stations, airports and customer service departments, among others. According to a study by 6W research, India's video surveillance market is expected to witness a CAGR of nearly 13% during 2017-2023. While large enterprises had taken to such technology earlier, even smaller commercial establishments and private residents now can afford to install security systems. The prices have practically halved over the last couple of years. An entry-level camera is now available for a little over Rs 2,000 from Rs 6,000, four year back. Households are installing CCTVs in their homes to keep a check of their beloved ones when they are away.

Opportunities and Threats

The technology is driving more change in the business world than ever before. It brings in its own sets of opportunities and challenges. The adoption of technology is evolving at a rapid pace on the back of positive economic outlook and increasing investments in the digital space. The economy is witnessing transformation keeping pace with the requirements of efficient IT services across businesses. Compuage is favourably positioned to benefit from the emergence of IT infrastructure across corporates by leveraging its strengths of long-standing relationships with the vendors and partners, strong reach and efficient team

Opportunities

IT offerings as the need of the hour

In the wake of the current situation with the pandemic of COVID-19, the pace and style of working from home, online education and life have made IT offerings a part of everybody's needs and not wants. Constant upgradations have made tech-based products an everyday utility. Also, the rising per capita income is creating a lot of positive opportunities for the IT products and services.

Cloud computing services

Cloud computing has become the future critical aspect of the budding IT market. It is no more the prerogative of only the large corporates but even the small to medium corporates are adopting it for its ease and simplicity.

Mobile penetration

On the onset of easy and cost-effective availability of internet connectivity, the number of mobile phone and smartphone users in India have grown significantly. According to Cisco's 13th annual Visual Networking Index (VNI), it is estimated that by 2022, there will be 829 Million smartphone users in India, accounting for 60% of the population. This will offer a big boost to the mobile and accessories business.

Need for more security and surveillance systems

The changing scope of work owing to the current work-from-home culture, the spread of customer-centric corporates such as banks, e-commerce companies are leading to more and more need of surveillance systems. The houses and housing complexes are also needing more and more of such aids like CCTV cameras for the safety reasons. This leads to a good demand for these products in the years to come.

Threats

Spread of B2C businesses in competition with B2B business

The online portals directly catering to the end users offer a lot of cost benefits to them through their portals. This leads to stiff competition to the resellers and supplier's mode of delivery of IT products and services.

Capital-intensive business and stressed working capital

The nature of the business demands for lock-in of the capital at different resellers' level and it puts a burden to some extent on the working capital management cycle. The availability of credit also becomes a limiting factor at times.

Impact of COVID-19

Covid-19 has disrupted every business in every industry one can think of. It has impacted both the supply and demand side of the equation. Digital medium of communication has been used expensively and the industry as a whole has evolved to work under the new normal.

The Government has implemented strict guidelines on undertaking necessary precautionary measures for social distancing, limited manpower, staggered working, work from home, regular screening and sanitization, preventive

healthcare, health checkups and necessary guidance and advisory for providing a safe working environment to all.

Unlike other industries, IT product sectors though briefly disrupted for a short period of time, in fact tend to gain tremendously in longer term.

Firstly, lockdown has forced many corporations to implement work from home to ensure the business continuity, which has enabled a new strong demand for laptops, mobiles, wifi routers and supporting infrastructure devices which help improve efficiency while working from home.

Second, many startups and offices are planning to cut down office space requirement and moving towards permanent remotes working solution. This will require companies to invest extensively in IT products to ensure proper communication with employees and maintain optimum productivity.

Third, cyber security software and services will be a big beneficiary as companies will increase the spending on cyber security software as employees working from remote locations are vulnerable to malware attacks. This is one area where no company would like to compromise.

Fourth, companies will invest in best in class cloud services as employees need to access data from various locations remotely. Lastly, demand for smart devices like smartphones & laptops will improve significantly as people realise the important role they play to stay connected & for entertainment. All these factors together will increase the demand for IT products significantly.

Financial Performance

Discussions on Financial Performance have been covered more specifically in the Board's Report. In accordance with Regulation 34(3) read with Schedule V of said regulation there has been no significant change in the key financial ratios nor has any change been noted in the Return on Net worth of the Company as compared to previous financial year.

Human Resources

Human Resource (HR) function for Compuage has never been as significant as it is today. It plays a pivotal role in change management and triggers the unlocking of human potential which results in organisation transformation and success.

Our learning & development philosophy is to ensure that real learning takes place and endures. We believe that real learning takes place when a learner is able to

develop a new skill, competency, behavior and is able to internalise and apply consistently to relevant work-life situations.

Compuage relies on its human capital's skillsets to generate value. Our employees are skilled across a range of industry related competencies to provide exceptional client services and functions. The Company has a workforce of 735 employees as on 31st March, 2020.

Outlook

Compuage Infocom Limited has emerged as one of the India's leading IT and Mobility products distributors. Growing strong over the years the Company has developed a robust network of resellers. The industry in 2019-20 faced many headwinds due to unavailability of finance and tighter NBFC policies. Despite this, the Company has grown 11% on year-on-year basis. Further, the Company plans to grow organically by expanding its existing customer base and inorganically through adding new brands and resellers under its umbrella. To support this, the Company has undertaken strategic growth initiatives like supporting their resellers through presales and post sales training. The Company has also made significant sign ups in order to increase its reach and product basket.

Risk Management

The IT industry is rapidly evolving. With the fast - paced innovation comes numerous emerging risks as well. As one of the fastest-growing industries, this sector is constantly developing brand-new solutions and opening its doors to the dangers that come with newer, untried innovation. Significant developments had been made in business environment with changing developments in cyber security, information security and business continuity, data privacy and large deal executions, figuring prominently on the risk of most organisations. To effectively mitigate these risks, we have developed a risk management framework, which helps identify, prioritise and mitigate risks.

Major risk and initiatives for mitigation of these risks:

| | Risks | Mitigation |
|----|--|--|
| 1. | Information security and cyber security breaches that could result in systemic failures, losses, disclosures of confidential information | The Company has taken strong measures for countering the risks and is effectively controlling and monitoring the place. Also, improvements have been made in the previous solutions along with implementation of newer technologies. |

| | | |
|----|--|---|
| 2. | Regulatory compliances covering various federal, state, local and foreign laws relating to different aspects of the business operations are complex and non-compliances can result in substantial fines, sanctions, etc. | A program on statutory compliance is in place with the objective of tracking all applicable regulations and obligations arising from the same and corresponding action required to ensure compliance with necessary work flows are enabled. |
| 3. | Functional and operational risks arising from various operational processes | Appropriate programmes have been developed to measure and control risk as critical business process have been involved and the effectiveness has been regularly tested under the Internal Financial Control Programmes. |
| 4. | Interest Rate Fluctuations Risk | The Company for financing its business borrows funds for meeting its short term and long-term goals. Thus, it is attached to the risks arising from interest rate fluctuations. Hence the Company regularly services its debts to protect itself from any fluctuations. It reviews its working capital loans, commercial borrowings and rupee term loan at regular intervals. |

Internal control systems and their adequacy

Your Company has effective internal control and risk mitigation systems, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and the complexities of its operations. The internal and operational audit is entrusted with a reputed firm of Chartered Accountants. The main thrust of any internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

Our well-defined organisation structure, policy guidelines, predefined authority levels, and an extensive system of internal controls ensure optimal utilisation and protection of resources, IT security, accurate reporting of financial transactions. It is compliant with applicable laws, regulations and policies. Compuage has designed systems and processes to provide reasonable assurance with regard to recording and providing reliable financial and operational information. The business complies with

applicable statutes, executing transactions with adequate authorisation and ensuring compliance to corporate policies.

- The Company has an adequate system of internal control in place to ensure that assets are safeguarded against loss from unauthorised use or disposition, and that transactions are authorised, recorded, and reported correctly.
- Periodic audits are conducted by the business for sound quality management, service management, information security, etc.
- Compuage's internal audit function is empowered to examine the adequacy, relevance and effectiveness of control systems, compliance with laws, regulations and policies, plans and statutory requirements.
- Compuage has an exhaustive budgetary control system. Actual performance is reviewed with reference to the budget by the management on an ongoing basis.

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 **Compuage Infocom Limited**,

Sd/-
Atul H. Mehta
Chairman & Managing Director

Place: Mumbai

Date: 18th July, 2020

BHOGILAL C. SHAH & CO.

CHARTERED ACCOUNTANTS

2A, Shree Pant Bhuvan, 1st floor, Sand Hurst Bridge, Mumbai 400 007.

Phone: 2361 0939

PARTNERS:

VIRENDRA B. SHAH

B.Com., L.L.B., F.C.A.

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

Opinion

We have audited the accompanying standalone financial statements of Compuage Infocom Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of the 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").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed u/s 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

| S. No. | Key Audit Matter | Auditor's Response |
|--------|---|---|
| 1. | Recoverability of Balances with Government Authorities Balances with Government Authorities have been disclosed under Other Current Assets. | Principal Audit Procedures We have reviewed the status of the applications and other corresponding documentation to check whether the balances with Government Authorities are likely to be recovered within the next financial year. |
| 2. | Allowance for credit losses All trade receivables have been considered good. The possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of receivables has been considered. | Principal Audit Procedures We have reviewed the status of the cases filed in the courts for recovery of outstanding dues from various customers. Customer's confirmations and financial standing have been verified and the likelihood of recoverability has been examined. |

Information Other than the standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the standalone financial statements

The Company's Board of Directors 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, total 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. 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate

- internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

Due to the COVID-19 related lockdown, we were unable to conduct physical verification of inventory at the warehouses as at 31st March, 2020. In this regard, we have performed alternate procedures to audit the existence of inventory at the warehouses as at 31st March 2020, which includes inspection of supporting documentation relating to purchases and sales as provided in the guidance note SA 501 "Audit Evidence - Specific Considerations for Selected Items" of the Institute of Chartered Accountants of India and have obtained sufficient appropriate evidence to issue our unmodified opinion on the standalone financial statements.

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 matter.

Report on legal and other regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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.
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. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the

Company so far as appears from our examination of those books;

- c. the Balance Sheet, Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
- d. in our opinion 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. on the basis of the written representations received from the directors, as on 31st March 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director, in terms of Section 164 (2) of the Act;
- f. 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;
- g. 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 Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. 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; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **M/s. Bhogilal C. Shah & Co.,**
Chartered Accountants
Firm Registration No.: 101424W

Sd/-
Suril Shah
Partner
Membership No.: 42710

Place: Mumbai
Date: 23rd June, 2020

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 Ind AS financial statements for the year ended 31st March 2020. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size and nature of its business. As explained to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained u/s 189 of the Act. 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.
- (v) In our opinion and according to the information and explanations given to us, the Company complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 and all other relevant provisions the Companies Act, 2013 and the rules framed thereunder in respect of acceptance of deposits from the public.
- (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 explanation given to us, the Company has been

regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Custom Duty, Excise Duty, Goods & Services Tax, Cess and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Custom Duty, Excise Duty, Goods & Services Tax, Cess and other material statutory dues were in arrears, as at 31st March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the amounts which have not been deposited as on 31st March 2020 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 | 15.53 | 2013-2014 | A.C. Appeal |
| | | 6.42 | 2014-2015 | A.C. Appeal |
| | | 16.78 | 2015-16, 2016-17 & 2017-18 | A.C. Appeal |
| | | 32.97 | 2008-09 & 2009-10 | Commissioner |
| | | 18.94 | 2007-2013 | D.C. Appeal |
| | | 4.82 | 2009-2010 | D.C. Appeal |
| | | 29.23 | 2010-2011 | D.C. Appeal |
| | | 37.18 | 2011-2012 | D.C. Appeal |
| | | 8.08 | 2012-2013 | D.C. Appeal |
| | | 15.03 | 2013-2014 | D.C. Appeal |
| | | 31.71 | 2014-2015 | D.C. Appeal |
| | | 6.42 | 2015-2016 | D.C. Appeal |
| | | 4.34 | 2016-2017 | D.C. Appeal |
| | | 31.57 | 2014-2015 | J.C. Appeal |
| | | 36.43 | 2015-2016 | J.C. Appeal |
| The Customs Act, 1962 | Custom Duty | 448.39 | 2009-2020 | Departmental Authorities / CESTAT |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. There are no loans or borrowing from the government. There are no debenture holders.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which they were raised. The Company has not raised moneys by way of initial public offering or further public offer during the year.

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (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 Section 177 and 188 of the Act where applicable and details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares, or preferential allotment or private placement of fully or partly convertible debentures during the year. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of Section 42 of the Act with respect to private placement of preference shares and the amount raised have been used for the purposes for which the funds were raised.
- (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) 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) of the Order are not applicable to the Company.

**For M/s. Bhogilal C. Shah & Co.,
Chartered Accountants
Firm Registration No.: 101424W**

**Sd/-
Suril Shah
Partner
Membership No.: 42710**

Place: Mumbai

Date: 23rd June, 2020

ANNEXURE B 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")

We have audited the internal financial controls over financial reporting of Compuage Infocom Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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. We 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, issued by ICAI 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 applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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.

For **M/s. Bhogilal C. Shah & Co.,**
Chartered Accountants
Firm Registration No.: 101424W

Sd/-
Suril Shah
Partner
Membership No.: 42710

Place: Mumbai

Date: 23rd June, 2020

Compuage Infocom Limited
Balance Sheet as at March 31, 2020

(₹ in Lakh unless
otherwise stated)

| Particulars | Note | 31-Mar-20 | 31-Mar-19 |
|---|------|--------------------|--------------------|
| A. ASSETS | | | |
| 1. Non-current assets | | | |
| a) Property, plant and equipment | 2 | 5,009.28 | 5,386.82 |
| b) Intangible assets | 2 | 1.02 | 4.76 |
| c) Financial assets | | | |
| (i) Investments | 3 | 148.55 | 117.27 |
| (ii) Others financial assets | 4 | 1.81 | 0.88 |
| Total non-current assets | | 5,160.66 | 5,509.73 |
| 2. Current assets | | | |
| a) Inventories | 5 | 33,795.26 | 30,139.02 |
| b) Financial assets | | | |
| (i) Investments | 6 | - | 250.92 |
| (ii) Trade receivables | 7 | 55,425.77 | 64,459.39 |
| (iii) Cash and cash equivalents | 8 | 911.50 | 4,461.46 |
| (iv) Bank balances other than (iii) above | 9 | 7,052.01 | 7,343.65 |
| (v) Loans | 10 | 506.46 | 525.99 |
| (vi) Other financial assets | 11 | 1,122.20 | 751.43 |
| c) Current tax assets (net) | 12 | 558.01 | 383.83 |
| d) Other current assets | 13 | 9,238.89 | 9,927.79 |
| Total current assets | | 1,08,610.10 | 1,18,243.48 |
| TOTAL ASSETS | | 1,13,770.76 | 1,23,753.22 |
| B. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Equity share capital | 14 | 1,299.52 | 1,299.52 |
| b) Other equity | 15 | 18,882.63 | 16,332.41 |
| Total equity | | 20,182.15 | 17,631.93 |
| Liabilities | | | |
| 1. Non-current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 16 | 2,136.13 | 2,287.09 |
| b) Provisions | 17 | 184.88 | 225.95 |
| c) Deferred tax liabilities (net) | 18 | 411.23 | 619.70 |
| Total non-current liabilities | | 2,732.24 | 3,132.74 |
| 2. Current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 19 | 44,598.46 | 45,576.59 |
| (ii) Trade payables | 20 | 39,260.98 | 50,748.92 |
| (iii) Other financial liabilities | 21 | 3,489.32 | 4,047.90 |
| b) Other current liabilities | 22 | 3,477.61 | 2,560.97 |
| c) Provisions | 23 | 30.00 | 54.16 |

| | | | |
|--|---|--------------------|--------------------|
| Total current liabilities | | 90,856.37 | 1,02,988.54 |
| Total liabilities | | 93,588.61 | 1,06,121.28 |
| TOTAL EQUITY AND LIABILITIES | | 1,13,770.76 | 1,23,753.21 |
| Significant accounting policies | 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

For and Behalf of the Board Of Directors

of Compuage Infocom Limited

(CA. S. V. Shah)

G. S Ganesh

Bhavesh H. Mehta

Atul H. Mehta

Partner

Membership No. : 042710

Independent Director

DIN: 00010877

Whole Time Director

DIN: 00740861

Chairman &

Managing Director

DIN: 00716869

Place : Mumbai

Dated : 23rd June, 2020

Sunil Mehta

CFO

Ruchita Shah

Company Secretary

Compuage Infocom Limited

Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lakh unless otherwise stated)

| Particulars | Note | 2019-20 | 2018-19 |
|--|------|--------------------|--------------------|
| Revenue from operations | 24 | 4,23,250.77 | 4,51,483.37 |
| Other income | 25 | 1,672.63 | 1,640.91 |
| Total Income | | 4,24,923.40 | 4,53,124.28 |
| Expenses | | | |
| Purchase of stock-in-trade | 26 | 4,09,093.43 | 4,35,166.39 |
| Changes in inventories of stock in trade | 27 | (3,656.24) | (877.29) |
| Employee benefits expense | 28 | 3,851.92 | 4,427.58 |
| Finance costs | 29 | 6,085.07 | 5,425.88 |
| Depreciation and amortisation expenses | 2 | 419.05 | 414.22 |
| Other expenses | 30 | 5,109.97 | 5,062.64 |
| Total Expenses | | 4,20,903.20 | 4,49,619.42 |
| Profit before exceptional items and tax | | 4,020.20 | 3,504.86 |
| Profit before tax | | 4,020.20 | 3,504.86 |
| Tax expense | | | |
| Current tax | 18 | 1,051.02 | 1,250.00 |
| Tax for Earlier Years | 18 | 30.01 | - |
| Deferred tax | 18 | (136.85) | (3.48) |
| Total tax expense | | 944.18 | 1,246.52 |
| Profit for the year | | 3,076.02 | 2,258.34 |
| Other Comprehensive Income | | | |
| a) Items that will not be reclassified to profit and loss | | | |
| - Remeasurment of Defined Employee Benefit Plans | | 27.00 | - |
| - Income Tax relating to above items | | (6.80) | - |
| b) Items that will be reclassified to profit and loss | | | |
| - Foreign Currency Translation difference | | (311.59) | - |
| - Income Tax relating to above items | | 78.42 | - |
| Other Comprehensive Income, net of tax | | (212.97) | - |
| Total Comprehensive Income for the year | | 2,863.05 | 2,258.34 |
| Earnings per Equity share attributable to owners of the Company | | | |
| No. of shares | | 649.76 | 649.76 |
| Basic and diluted earnings per Equity share of ₹2 each | | 4.41 | 3.48 |

The above Statement of Profit and 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

For and Behalf of the Board Of Directors
of Compuage Infocom Limited

(CA. S. V. Shah)
Partner

Membership No. : 042710

G.S Ganesh
Independent
Director

DIN: 00010877

Bhavesh H. Mehta
Whole Time Director

DIN: 00740861

Atul H. Mehta
Chairman &
Managing Director

DIN: 00716869

Place : Mumbai

Dated : 23rd June, 2020

Sunil Mehta
CFO

Ruchita Shah
Company Secretary

Compuage Infocom Limited
Statement of Cash Flows for the year ended March 31, 2020
(₹ in Lakh unless otherwise stated)

| | Particulars | March 31, 2020 | March 31, 2019 |
|-----------|--|-------------------|-------------------|
| A. | Cash Flows From Operating Activities | | |
| | Profit before tax | 4,020.20 | 3,504.86 |
| | <u>Adjustment For:</u> | | |
| | Depreciation and amortisation expenses | 419.05 | 414.22 |
| | Unrealised Exchange Rate Difference (Net) | (317.88) | (3.98) |
| | Finance costs | 6,085.07 | 5,425.88 |
| | Interest income from financial assets measured at amortised cost | (1,661.52) | (1,598.58) |
| | Dividend received on current investments | (2.36) | (11.98) |
| | Loss on Sale of Investment | - | 0.02 |
| | Loss on Sale of Property, Plant & Equipment | - | 0.25 |
| | Operating Profit Before Working Capital Changes | 8,542.56 | 7,730.69 |
| | Changes in working capital: | | |
| | Decrease/(Increase) In Inventories | (3,656.24) | (877.29) |
| | Decrease/(Increase) In Trade Receivables | 9,033.62 | (6,707.59) |
| | Decrease/(Increase) In Current Loans | 19.53 | (31.27) |
| | Decrease/(Increase) In Other Current Assets | 688.90 | (3,455.22) |
| | Decrease/(Increase) In Other Financial Assets | (370.77) | 83.63 |
| | Increase /(Decrease) In Trade Payables | (11,487.94) | 292.91 |
| | Increase /(Decrease) In Other Financial Liabilities | (558.58) | 1,239.51 |
| | Increase /(Decrease) In Other Current Liabilities | 916.64 | (315.89) |
| | Increase /(Decrease) In Current provisions | (24.16) | - |
| | Increase /(Decrease) In Non -Current provisions | (14.07) | 41.66 |
| | Total | (5,453.07) | (9,729.55) |
| | Income tax paid (net of refund) | (1,255.21) | (1,423.35) |
| | Net Cash Inflow/(Outflow) From Operating Activities (A) | 1,834.28 | (3,422.21) |
| B. | Cash Flows From Investing Activities | | |
| | Purchase of Property, plant and equipment | (37.77) | (1,403.07) |
| | Purchase of intangible assets | - | (0.17) |
| | Sale of Property, plant and equipment | - | 3.48 |
| | Sale/(Purchase) of Current Investments (net) | 250.92 | 6.08 |
| | Sale/(Purchase) of Non-Current Investments | (25.01) | (13.50) |
| | Proceeds from / (Payment of) fixed deposits | 290.71 | 222.87 |
| | Interest received on financial assets measured at amortised cost | 1,661.52 | 1,598.58 |
| | Dividend Received on Current Investments | 2.36 | 11.98 |
| | Loss on Sale of Investment | - | (0.02) |
| | Net Cash Inflow/(Outflow) From Investing Activities (B) | 2,142.73 | 426.23 |
| C. | Cash Flows From Financing Activities | | |

| | | |
|---|-------------------|-----------------|
| Proceeds from / (Repayment of) Equity Infusion | - | 1,683.67 |
| Proceeds from / (Repayment of) Current Borrowings | (978.13) | 5,928.95 |
| Proceeds from / (Repayment of) Non -Current Borrowings | (150.96) | 921.40 |
| Interest Paid | (6,085.07) | (5,425.88) |
| Dividend on Equity shares (including dividend distribution tax) | (312.81) | (282.79) |
| Net Cash Inflow/(Outflow) From Financing Activities (C) | (7,526.97) | 2,825.35 |
| | | |
| Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C) | (3,549.96) | (170.63) |
| | | |
| Cash And Cash Equivalents As At Beginning Of The Year | 4,461.46 | 4,632.09 |
| Cash And Cash Equivalents As At End Of The Year | 911.50 | 4,461.46 |

- 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.
- i)
- ii) Cash flows from operating activities includes ₹ 65.49 Lakhs (March 31, 2019: ₹ 49.01 Lakhs) being expenses towards Corporate Social Responsibility initiatives.

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

For and Behalf of the Board Of Directors
of Compugate Infocom Limited

(CA. S. V. Shah)
Partner

G. S Ganesh
Director

Bhavesh H. Mehta
Whole Time
Director

Atul H. Mehta
Chairman &
Managing Director

Membership No. : 042710

DIN: 00010877

DIN: 00740861

DIN: 00716869

Place : Mumbai
Dated : 23rd June, 2020

Sunil Mehta
CFO

Ruchita Shah
Company Secretary

Compugate Infocom Limited
Statement of Changes in Equity for the year ended March 31, 2020

(₹ in Lakh unless otherwise stated)

A. Equity Share Capital

| Particulars | Note | Amount |
|---|------|----------|
| As at April 01, 2018 | 14 | 1,174.80 |
| Changes in Equity share capital during the year | | 124.72 |
| As at March 31, 2019 | 14 | 1,299.52 |
| Changes in Equity share capital during the year | | - |
| As at March 31, 2020 | 14 | 1,299.52 |

B. Other Equity

| Particulars | Reserves and Surplus | | | | | Total other Equity |
|--|----------------------------|-----------------|-----------------|----------------------------|-------------------|--------------------|
| | Securities Premium Reserve | General Reserve | Capital reserve | Capital redemption reserve | Retained Earnings | |
| As at April 01, 2019 | 3,668.80 | 35.36 | 134.84 | 129.72 | 12,363.67 | 16,332.39 |
| Profit for the year | - | - | - | - | 3,076.02 | 3,076.02 |
| Other Comprehensive Income | - | - | - | - | (212.97) | (212.97) |
| Total comprehensive income for the year | - | - | - | - | 2,863.05 | 2,863.05 |
| Transactions with owners in their capacity as owners: | | | | | | |
| Dividend paid (including dividend distribution tax) | - | - | - | - | (312.81) | (312.81) |
| As at March 31, 2020 | 3,668.80 | 35.36 | 134.84 | 129.72 | 14,913.91 | 18,882.63 |

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

Compuage Infocom Limited

Summary of Significant accounting policies to financial statements for the year ended 31st March 2020

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 product support services for Information Technology products.

Note 1: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2020

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 non-refundable 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) De-recognition:

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 de-recognition 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 amounts 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.

As per our report of even dated attached.

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 |
|------------------------------|-----------|--------------|----------|------------------|-----------------------|-------------------------------------|-------------------|
| Gross carrying amount | | | | | | | |
| As at April 1st, 2019 | 4,291.62 | 1,791.47 | 123.12 | 781.84 | 1,565.00 | 8,553.05 | 11.99 |
| Additions | - | 18.19 | - | 4.65 | 14.93 | 37.77 | - |
| Disposals | - | - | - | - | - | - | - |
| As at March 31,2020 | 4,291.62 | 1,809.66 | 123.12 | 786.49 | 1,579.93 | 8,590.82 | 11.99 |

| | | | | | | | |
|------------------------------------|-----------------|---------------|--------------|---------------|---------------|-----------------|--------------|
| Depreciation Amortisation | | | | | | | |
| As at March 31, 2019 | 177.09 | 1,575.50 | 75.80 | 484.30 | 853.54 | 3,166.23 | 7.23 |
| Charge For the year | 75.39 | 107.97 | 7.54 | 73.95 | 150.46 | 415.31 | 3.74 |
| Disposals | - | - | - | - | - | - | - |
| upto March 31, 2020 | 252.48 | 1,683.47 | 83.34 | 558.25 | 1,004.00 | 3,581.54 | 10.97 |
| Net carrying amount | | | | | | | |
| As at 31-03-2019 | 4,114.53 | 215.97 | 47.32 | 297.54 | 711.46 | 5,386.82 | 4.76 |
| As at 31-03-2020 | 4,039.14 | 126.19 | 39.78 | 228.24 | 575.93 | 5,009.28 | 1.02 |

1. The company has hypothecated Buildings to avail the Loan from the Bank.

NOTE 3 : Non- Current Investments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| a) Investment in equity instruments of Subsidiary company measured at cost 1,50,000 Ordinary Shares of Compuage Infocom Pte.Ltd - Singapore | 75.42 | 69.15 |
| Sub-total (a) | 75.42 | 69.15 |
| b) Investment in equity instruments of Other Company measured at FVTPL - Unquoted 243751 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of ₹30 Each. (Previous year: 160416, Equity Shares). | 73.13 | 48.12 |
| Sub-total (b) | 73.13 | 48.12 |
| Total | 148.55 | 117.27 |

NOTE 4 : Other Non- Current Financial Assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Fixed Deposits with Banks, with maturity beyond 12 months | 1.81 | 0.88 |
| Total | 1.81 | 0.88 |

NOTE 5 : Inventories

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------|-------------------------|-------------------------|
| Stock in trade | 33,795.26 | 30,139.02 |
| Total | 33,795.26 | 30,139.02 |

NOTE 6 : Current Investments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Investment in mutual funds, unquoted, fair value through Profit and Loss NIL units (2,49,803.323 units 31-03-19) of Birla Sun Life Cash Manager Weekly Dividend Mutual Fund | - | 250.92 |
| Total | - | 250.92 |

NOTE 7 : Trade Receivables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|-------------------------|-------------------------|
| Unsecured, considered good | 55,425.77 | 64,459.39 |
| Total | 55,425.77 | 64,459.39 |

NOTE 8 : Cash and Cash Equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Bank balances | | |
| In current accounts | 133.79 | 4,222.54 |
| In unpaid dividend accounts | 20.41 | 19.60 |
| Cheques on hand | 600.00 | 22.00 |
| Cash on hand | 21.73 | 9.96 |
| Fixed deposits with original maturity less than 3 months | 135.57 | 187.36 |
| Total | 911.50 | 4,461.46 |

NOTE 9 : Other Bank Balances

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Fixed deposits with remaining maturity less than 12 months | 7,052.01 | 7,343.65 |
| Total | 7,052.01 | 7,343.65 |

NOTE 10 : Current Loans

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------|-------------------------|-------------------------|
| Security deposits | 486.19 | 485.22 |
| Loans to employees | 20.27 | 40.77 |
| Total | 506.46 | 525.99 |

NOTE 11 : Other Current Financial Assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|-------------------------|-------------------------|
| Fixed deposits other than Banks | 670.00 | 670.00 |
| Interest accrued | 452.20 | 81.43 |
| Total | 1,122.20 | 751.43 |

NOTE 12 : Current Tax Assets (Net)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Advance income tax (net of provisions) | 558.01 | 383.83 |
| Total | 558.01 | 383.83 |

NOTE 13 : Other Current Assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------|-------------------------|-------------------------|
| Prepaid expenses | 1,206.79 | 1,050.99 |
| Advances to staffs | 37.14 | 11.12 |
| Advances to supplier | 1,666.20 | 3,585.80 |
| Balances with Government authorities | 6,328.76 | 5,279.88 |
| Total | 9,238.89 | 9,927.79 |

NOTE 14 : Equity Share Capital

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Authorised | | |
| 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 |
| Total | 3,030.07 | 3,030.07 |
| Issued, subscribed and fully paid-up | | |
| 6,49,75,806 Equity shares of ₹2.00 each fully paid | 1,299.52 | 1,299.52 |
| Total | 1,299.52 | 1,299.52 |

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|-------------------------|-----------------|-------------------------|-----------------|
| | No. in lakh | ₹ In lakh | No. in lakh | ₹ In lakh |
| At the beginning of the Period | 649.76 | 1,299.52 | 587.40 | 1,174.80 |
| Add : Preferential allotment | - | - | 62.36 | 124.72 |
| Outstanding at the end of the period | 649.76 | 1,299.52 | 649.76 | 1,299.52 |

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.

The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2020, the amount of per share final dividend proposed as distribution to the Equity Shareholders is ₹0.20 per share (31st March 2019 : ₹0.40 per share)

c) Details of Shareholders holding more than 5% of Equity shares:

| Name of Shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|---------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Holding % | No. of shares | Holding % | No. of shares |
| 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 |
| 4. Kitara India Micro Cap Growth Fund | 5.95% | 38.65 | 7.91% | 51.38 |

NOTE 15 : Other Equity

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------|-------------------------|-------------------------|
| a) Capital reserve | 134.84 | 134.84 |
| b) Capital redemption reserve | 129.72 | 129.72 |
| c) Securities premium reserve | 3,668.80 | 3,668.80 |
| d) General reserve | 35.36 | 35.38 |
| e) Retained Earnings | | |
| Balance at the beginning of the year | 12,363.67 | 10,616.57 |

| | | |
|---|------------------|------------------|
| Add: Profit for the year | 3,076.02 | 2,258.34 |
| Add: Add Other Comprehensive Income | (212.97) | - |
| Less: Dividend on Equity shares | (259.90) | (234.96) |
| Less: Dividend distribution tax on dividend | (52.91) | (47.83) |
| Less: Gratuity Provision of prior period | - | (228.45) |
| Balance as at the end of the year | 14,913.91 | 12,363.67 |
| Total | 18,882.63 | 16,332.41 |

NOTE 16 : Non- Current Borrowings

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Term loans from banks, secured | 844.06 | 1,438.34 |
| Term loans from others, unsecured | 292.07 | 848.75 |
| 9% Cumulative Non -Convertible Redeemable Preference Shares | 1,000.00 | - |
| Total | 2,136.13 | 2,287.09 |
| Term loan from Indian Bank (secured by hypothecation of office premises) carry interest of 11.15% pa and is repayable in 20 equal quarterly instalment of 125 lakh each along with interest. | | |
| Term Loan from ICICI Bank (Home Loan secured by hypothecation of Building) carry floating interest of 9.20% pa and is repayable in 60 equal monthly Instalment of 17.52 lakh each along with interest. | | |
| Cumulative Non -Convertible Redeemable Preference Shares carry Interest of 9% (Effective Rate 10.85%) and are redeemable on the expiry of 96 months of Deemed Date of Allotment or one month from the time of exercise of put option. Put option can be exercised any time after the end of 24 months from the deemed date of allotment. | | |
| The company has not defaulted on repayment of loans and interest during the year. | | |

NOTE 17 : Non-Current Provisions

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------|-------------------------|-------------------------|
| Provision for Gratuity | 184.88 | 225.95 |
| Total | 184.88 | 225.95 |

NOTE 18:- Current And Deferred Tax

The major components of income tax expense for the years ended March 31, 2020 & March 31, 2019 are:

- a) Income tax expense

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| i) Current tax | | |
| Current tax on profits for the year | 1,051.02 | 1,250.00 |
| Adjustments for current tax of prior period | - | - |
| Total current tax expense | 1,051.02 | 1,250.00 |
| ii) Deferred tax | | |
| (Decrease) Increase in deferred tax liabilities | (136.85) | (3.48) |
| Decrease (Increase) in deferred tax assets | - | - |
| Total deferred tax expense (benefit) | (136.85) | (3.48) |
| Income tax expense | 914.17 | 1,246.52 |

b) The Statutory income tax rate applied for computing current tax & for Deferred Tax @ 25.168 % as applicable to the Company.

c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.

d) Current tax assets (net)

| Particulars | As at 31-03-2020 | As at 31-03-2019 |
|---|---------------------|---------------------|
| Opening balance | 383.83 | 210.48 |
| Add: Tax paid in advance, net of provisions during the year | 174.18 | 173.35 |
| Closing balance | 558.01 | 383.83 |

e) 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 31-03-2020 | (Charged) Credited | As at 31-03- 2019 | (Charged) Credited |
|---|---------------------|-------------------------|-------------------------|----------------------------|
| Property, plant and equipment & Intangible assets p&l | 482.25 | (136.62) | 618.87 | (1.98) |
| Fair valuation of term loan p&l | 0.60 | (0.23) | 0.83 | (1.50) |
| Remeasurment of Defined Employee Benefit Plans-OCI | 6.80 | 6.80 | - | - |
| Foreign Currency Transalation difference-OCI | (78.42) | (78.42) | - | - |
| Total deferred tax liabilities | | | | |

| | | | | |
|---|---------------|-----------------|---------------|---------------|
| | 411.23 | (208.47) | 619.70 | (3.48) |
| Carry forward of losses | - | - | - | - |
| Total deferred tax assets | - | - | - | - |
| Net deferred tax (asset) liability | 411.23 | (208.47) | 619.70 | (3.48) |

NOTE 19 : Current Borrowings

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------|-------------------------|-------------------------|
| Secured | | |
| Cash credit from banks | 31,351.21 | 30,401.29 |
| Unsecured | | |
| Loan from related parties | 2,696.19 | 3,276.58 |
| Loan from others | 10,408.56 | 11,657.72 |
| Deposits | 142.50 | 241.00 |
| Total | 44,598.46 | 45,576.59 |

NOTE 20 : Trade Payables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Due to Micro, Small & Medium Enterprises | - | - |
| Others | 39,260.98 | 50,748.92 |
| Total | 39,260.98 | 50,748.92 |

NOTE 21 : Other Current Financial Liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Current maturities of long term liabilities | 1,157.29 | 1,324.41 |
| Unpaid dividends | 20.41 | 19.60 |
| Amount due to subsidiary company | 138.55 | 130.17 |
| Other payables | 2,173.07 | 2,573.72 |
| Total | 3,489.32 | 4,047.90 |

NOTE 22 : Other Current Liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------|-------------------------|-------------------------|
| Statutory Dues | 2,174.04 | 484.89 |
| Advances from customers | 1,303.57 | 2,076.08 |
| Total | 3,477.61 | 2,560.97 |

NOTE 23 : Current Provisions

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|-------------------------|-------------------------|
| Provision for gratuity | 30.00 | 2.50 |
| Provision for dividend tax | - | 51.66 |
| Total | 30.00 | 54.16 |

NOTE 24 : Revenue From Operations

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|-------------------------|-------------------------|
| (a) Sale of Products | | |
| Computer Components & Others | 4,22,375.66 | 4,50,475.89 |
| Total (a) | 4,22,375.66 | 4,50,475.89 |
| (b) Sale of services | | |
| Product support services | 875.11 | 1,007.48 |
| Total (b) | 875.11 | 1,007.48 |
| Total | 4,23,250.77 | 4,51,483.37 |

NOTE 25 : Other Income

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|-------------------------|-------------------------|
| Dividend from mutual funds | 2.36 | 11.98 |
| Interest from bank deposits | 497.04 | 517.16 |
| Interest from others | 1,164.48 | 1,081.42 |
| Net exchange rate difference - gain | - | 29.51 |
| Miscellaneous income | 8.75 | 0.84 |
| Total | 1,672.63 | 1,640.91 |

NOTE 26 : Purchase Of Stock-In-Trade

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|-------------------------|-------------------------|
| Computer Components & Others | 4,09,093.43 | 4,35,166.39 |
| Total | 4,09,093.43 | 4,35,166.39 |

NOTE 27 : Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| (a) Stocks at the end of the year | | |
| Stock-in-trade | 33,795.26 | 30,139.02 |
| Total (a) | 33,795.26 | 30,139.02 |
| Less : | | |
| (b) Stocks at beginning of the year | | |
| Stock-in-trade | 30,139.02 | 29,261.73 |
| Total (b) | 30,139.02 | 29,261.73 |
| (Increase) Decrease in stocks | (3,656.24) | (877.29) |

NOTE 28 : Employee Benefit Expenses

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Salaries, wages and bonus | 3,577.48 | 4,149.71 |
| Contribution to provident and other funds | 81.90 | 98.26 |
| Gratuity | 63.02 | 25.93 |
| Staff welfare | 129.52 | 153.68 |
| Total | 3,851.92 | 4,427.58 |

NOTE 29 : Finance Costs

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Interest on borrowings (at amortised cost) | 5,988.43 | 5,425.88 |
| Interest on Preference Shares | 96.64 | - |
| Total | 6,085.07 | 5,425.88 |

NOTE 30 : Other Expenses

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Rent and compensation | 888.00 | 852.11 |
| Power & fuel | 96.55 | 90.52 |
| Rates and taxes | 14.74 | 10.42 |
| Insurance | 446.86 | 333.84 |
| <u>Payments to the statutory auditors:</u> | | |
| a) Audit fees | 14.74 | 13.99 |
| b) Tax matters | 2.00 | 2.00 |

| | | |
|--|-----------------|-----------------|
| c) Other matters | 1.48 | 1.48 |
| Expenditure on Corporate Social Responsibility | 65.49 | 49.01 |
| Net exchange rate difference - loss | 101.67 | - |
| Loss on sale of Investment | - | 0.02 |
| Loss on sale of Assets | - | 0.25 |
| Miscellaneous expenses | 3,478.44 | 3,709.00 |
| Total | 5,109.97 | 5,062.64 |

NOTE 31:- Contingent Liabilities

The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as follows:

| Particulars | As at 31-03-2020 | As at 31-03-2019 |
|--|---------------------|---------------------|
| <u>Claims against the Company not acknowledged as debts</u> | | |
| Disputed demands in respect of VAT/Custom Duty | - | - |
| (Based on legal opinion, the Company does not feel any liability will arise and hence no provision has been made in the accounts.) | 857.14 | 1,136.89 |

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 32:- Employee Benefit Obligations

Funded Scheme

a) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan through the Life Insurance Corporation of India'. Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The actuarial valuation of plan assets and the present value of the defined benefit obligation for the Gratuity were carried out as at March 31, 2019. 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 the actuarial valuation obtained in respect, the following table sets out the status of the

gratuity plan and the amounts recognised in the companies' financial statements as at the balance sheet date:

(Rs.in Lakhs)

| A) Amount Recognized in Statement of Financial Position at Period-End | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------------------------|---------------------------------|
| Present Value of Funded Defined Benefit Obligation | 231.41 | 239.01 |
| Fair value of Plan Assets | (16.53) | (10.55) |
| Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position | 214.88 | 228.46 |

| B) Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------------------------|---------------------------------|
| Service Cost | 42.92 | - |
| Interest Cost on DBO (A) | 21.02 | - |
| Interest Income Plan Assets (B) | (0.92) | - |
| Net Interest Cost (A) + (B) | 20.10 | - |
| Past Service Cost | - | 228.46 |
| Total Defined Benefit Cost/(Income) included in Profit & Loss | 63.02 | 228.46 |

| C) Current / Non-Current Bifurcation | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------------------------|---------------------------------|
| Current Liability | 30.00 | 2.50 |
| Non-Current Liability | 184.88 | 225.96 |
| (Asset)/Liability Recognised in the Balance Sheet | 214.88 | 228.46 |

| D) Actual Return on Plan Assets | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------------------------|---------------------------------|
| Interest Income on Plan Assets | 0.92 | - |
| Remeasurements on Plan Assets | 0.55 | - |
| Actual Return on Plan Assets | 1.47 | - |

| E) Analysis of Amounts Recognized in Other Comprehensive (Income) / Loss at Period-End | As at March 31, 2020 | As at March 31, 2019 |
|---|---------------------------------|---------------------------------|
| Amount recognized in OCI - Beginning of the period | - | - |
| Remeasurements due to : | | |
| Effect of change in financial assumptions (A) | 28.98 | - |
| Effect of experience adjustments (B) | (55.43) | - |
| Actuarial (Gains) / Losses (A) + (B) | (26.45) | - |
| Return on Plan Assets (excluding interest) | (0.55) | - |

| | | |
|---|---------|---|
| Amount recognized in OCI - End of the period | (27.00) | - |
|---|---------|---|

| F) Total Defined Benefit Cost / (Income) included in Profit & Loss and Other Comprehensive Income | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------------------------|---------------------------------|
| Amount recognized in Profit & Loss, End of Period | 63.02 | 228.46 |
| Amount recognized in OCI, End of Period | (27.00) | - |
| (Asset)/Liability Recognised in the Balance Sheet | 36.02 | 228.46 |

| G) Change in Defined Benefit Obligation during the Period | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------------------------|---------------------------------|
| Defined Benefit Obligation, Beginning of the Period | 239.01 | - |
| Net Current Service Cost | 42.92 | - |
| Interest Cost on DBO | 21.02 | - |
| Actuarial (Gains) / Losses | (26.45) | - |
| Benefits Paid | (45.09) | - |
| Past Service Cost | - | 239.01 |
| Defined Benefit Obligation, End of Period | 231.41 | 239.01 |

| H) Change in Fair value of Plan Assets during the Period | As at March 31, 2020 | As at March 31, 2019 |
|---|---------------------------------|---------------------------------|
| Fair Value of Plan Assets, Beginning of the Period | 10.55 | - |
| Interest Income Plan Assets | 0.92 | - |
| Actual Company Contributions | 49.60 | 10.55 |
| Actuarial Gains / (Losses) | 0.55 | - |
| Benefits Paid | (45.09) | - |
| Fair value of Plan Assets, End of Period | 16.53 | 10.55 |

| I) Reconciliation of Balance Sheet Amount | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------------------------|---------------------------------|
| Balance Sheet (Asset) / Liability, Beginning of the Period | 228.46 | - |
| Total Charge/(Credit) Recognised in Profit and Loss | 63.02 | 228.46 |
| Total Remeasurements Recognized in Other Comprehensive (Income) / Loss | (27.00) | - |
| Employer Contributions | (49.60) | - |
| Balance Sheet (Asset)/Liability, End of Period | 214.88 | 228.46 |

| J) Financial Assumptions Used to Determine the Defined Benefit Obligation | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------------------------|---------------------------------|
| Discount Rate | 6.75% | 7.80% |
| Salary Escalation Rate | 5.00% | 5.00% |

(Rs. In Lakhs)

| K) Financial Assumptions Used to Determine the Profit & Loss Charge | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------------------------|---------------------------------|
| Discount Rate | 7.80% | 7.80% |
| Salary Escalation Rate | 5.00% | 5.00% |
| Expected Return on Plan Assets | 7.80% | 7.80% |

| L) Demographic Assumptions Used to Determine the Defined Benefit Obligation | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------------------------|---------------------------------|
| Withdrawal Rate: | | |
| Upto age 30 | 3.00% | 3.00% |
| Age 31 to 40 | 2.00% | 2.00% |
| Above Age 40 | 1.00% | 1.00% |
| Mortality Rate | IALM (2012-14) | IALM (2006-08) |
| Retirement Age | 58 years | 58 years |

| M) Asset Category | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------|---------------------------------|---------------------------------|
| Insurer Managed Funds | 16.53 | 10.55 |
| Total | 16.53 | 10.55 |

| N) Expected cashflows for the next 10 years | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------------------------|---------------------------------|
| Year-2020 | - | 24.97 |
| Year-2021 | 4.37 | 5.38 |
| Year-2022 | 4.53 | 5.62 |
| Year-2023 | 4.93 | 6.12 |
| Year-2024 | 19.22 | 19.89 |
| Year-2025 | 5.53 | - |
| Year-2025 to 2029 | - | 63.40 |
| Year-2026 to 2030 | 80.52 | - |

| O) Defined Benefit Obligation - Sensitivity Analysis | As at March 31, 2020 | As at March 31, 2019 |
|---|---------------------------------|---------------------------------|
| Discount Rate + 100 basis points | 203.70 | 213.14 |
| Discount Rate - 100 basis points | 264.49 | 269.74 |
| Salary Escalation Rate + 100 basis points | 260.37 | 263.66 |
| Salary Escalation Rate - 100 basis points | 205.65 | 217.11 |
| Attrition Rate + 100 basis points | 235.98 | 247.51 |
| Attrition Rate - 100 basis points | 226.09 | 229.27 |

Note 33

Segment Reporting

The Company operates only in one reportable Segment.

Note 34

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. 888.00 lakh (previous year Rs.852.11 lakh). The contingent rent recognised in the Statement of Profit and Loss for the year is Rs.nil (previous year Rs.nil).

NOTE 35- Disclosures As Required By Indian Accounting Standard (Ind AS) 33 Earnings Per Share

| Particulars | 2019-20 | 2018-19 |
|--|-------------|-------------|
| Face value of equity share (in Rs.) | 2.00 | 2.00 |
| Weighted average number of equity shares outstanding (in Nos) | 6,49,75,806 | 6,49,75,806 |
| Profit for the year (Rs. in Lakh) | 2,863.05 | 2,258.34 |
| Weighted average earnings per share (basic and diluted) (in Rs.) | 4.41 | 3.48 |

NOTE 36 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 31/03/2020 | As at 31/03/2019 |
|---|------------------|------------------|
| Total debt | 46,734.59 | 47,863.68 |
| Less: Cash and cash equivalents & Other Bank balances | 7,963.51 | 11,805.11 |
| Net Debt | 38,771.08 | 36,058.57 |
| Total equity | 20,182.15 | 17,631.93 |
| Debt-Equity ratio | 1.92 | 2.05 |

NOTE 37 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 | Chief Financial Officer |
| Disha Shah up to 23-11-2019 | Company Secretary |
| Ruchita Shah from to 23-11-2019 | Company Secretary |

Non-Executive Directors

| |
|---------------------------------------|
| G.S. Ganesh |
| Vijay Agarwal |
| Preeti Trivedi up to 23rd August 2019 |
| Fatima Nasab from 23rd August 2019 |

Category IV:

Others (Close family member of KMP and Entities in which the KMP or close family member of KMP have significant influence)

| | |
|----------------------------------|--|
| Bhavesh M. Mehta | Brother of Sunil Mehta |
| Kamal M. Mehta | Brother of Sunil Mehta |
| 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 |
| Nisha S. Mehta | Wife of Sunil Mehta |
| Sunil M. Mehta HUF | HUF of Sunil Mehta |
| Yash A. Mehta | Son of Atul 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 31/03/2020 | For the year ended 31/03/2019 |
|---|----------------------------------|----------------------------------|
| Interest Paid to: | | |
| Atul H. Mehta | 32.97 | 34.46 |
| Bhavesh H. Mehta | 73.83 | 92.97 |
| Bhavesh M. Mehta | 1.73 | 2.25 |
| Falguni A. Mehta | 3.89 | 2.80 |
| Forum B. Mehta | 5.79 | 3.29 |
| Ajay H. Mehta | 15.19 | 9.15 |
| Nisha S. Mehta | 0.07 | 2.32 |
| Sunil M. Mehta HUF | 6.29 | 6.77 |
| Sunil M. Mehta | 3.39 | 2.87 |
| Kamal M.Mehta | 0.48 | 1.25 |
| Yash A.Mehta | 0.10 | 0.18 |
| | | |
| Remuneration Paid to: | | |
| Atul H. Mehta | 132.00 | 168.00 |
| Bhavesh H. Mehta | 132.00 | 168.00 |
| Disha Shah up to 23rd November 2019 | 4.87 | 7.88 |
| Ruchita Shah from 23rd November 2019 | 2.67 | - |
| Sunil Mehta | 65.44 | 65.44 |
| <u>Sitting Fees to Non-Executive Directors</u> | - | - |
| Vijay Agarwal | 3.00 | 5.00 |
| Preeti Trivedi up to 23rd August 2019 | 1.00 | 4.00 |
| Fatima Nasab from 23rd August 2019 | 3.00 | - |
| | | |
| Rent Paid to: | | |
| Trillizo Holdings Ltd. | 12.50 | 15.00 |
| | | |
| Printing & Stationery Paid to: | | |
| Pristine Care Products Pvt. Ltd. | 0.50 | 9.14 |

Balances due from/to the related parties:

| Particulars of transactions | As at 31/03/2020 | As at 31/03/2019 |
|----------------------------------|------------------|------------------|
| Outstanding receivables: | | |
| Trillizo Holdings Ltd. | 138.00 | 138.00 |
| Pristine Care Products Pvt. Ltd. | 75.75 | - |

Outstanding payables:

| | | |
|----------------------------------|----------|----------|
| Atul H. Mehta | 1,053.90 | 1,693.03 |
| Bhavesh H. Mehta | 1,417.48 | 1,473.45 |
| Compuage Infocom (S) Pte Ltd | 107.00 | 130.17 |
| Bhavesh M. Mehta | - | 15.39 |
| Falguni A. Mehta | 39.32 | 6.16 |
| Forum B. Mehta | 59.33 | 10.26 |
| Ajay H. Mehta | 126.15 | 120.36 |
| Kamal M. Mehta | - | 15.39 |
| Yash A.Mehta | - | 2.56 |
| Pristine Care Products Pvt. Ltd. | 6.34 | 6.34 |

NOTE 38: 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 39:

Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2020 is ₹ 41,862 Lakh (Previous year ₹ 74,075 Lakh)

NOTE 40: Foreign Currency transactions

Expenditure in Foreign currency:

| Particular | ₹ in lakh) | |
|---------------------------|----------------|-----------------|
| | Current Period | Previous Period |
| Travelling | 67.26 | 90.67 |
| Mercantile Trade Purchase | 18,255.50 | 13,243.14 |

Earnings in Foreign Currency

| Particular | Current Period | Previous Period |
|-----------------------|----------------|-----------------|
| Mercantile Trade Sale | 18,445.17 | 13,375.57 |

BHOGILAL C. SHAH & CO.

CHARTERED ACCOUNTANTS

2A, Shree Pant Bhuvan, 1st floor, Sandhurst Bridge, Mumbai 400 007.

Phone : 2361 0939

PARTNERS :

| | |
|-------------------------|---|
| VIRENDRA B. SHAH | B.Com., L.L.B., F.C.A. |
| 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
Opinion**

We have audited 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, 2020, 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").

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 / consolidated financial statements and on other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed u/s 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2020, its consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. 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 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 ICAI's

Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the paragraph Other Matter is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| S. No. | Key Audit Matter | Auditor's Response |
|--------|--|---|
| 1. | Recoverability of Balances with Government Authorities Balances with Government Authorities have been disclosed under Other Current Assets. | Principal Audit Procedures We have reviewed the status of the applications and other corresponding documentation to check whether the balances with Government Authorities are likely to be recovered within the next financial year. |
| 2. | Provision for doubtful debts All trade receivables have been considered good. The possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of receivables has been considered. | Principal Audit Procedures We have reviewed the status of the cases filed in the courts for recovery of outstanding dues from various customers. Customer's confirmations and financial standing have been verified and the likelihood of recoverability has been examined. |

Information Other than the consolidated financial statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

The Holding Company's Board of Directors 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 Board of Directors 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 Directors 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.

The Board of Directors are 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We have not audited the financial statements and other financial information of the subsidiary. The subsidiary accounts for total assets of Rs. 455.39 lakhs as at 31 March 2020, net loss of Rs. 25.07 lakhs for the year ended 31 March 2020.

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.

Due to the COVID-19 related lockdown, we were unable to conduct physical verification of inventory at the warehouses as at 31st March, 2020. In this regard, we have performed alternate procedures to audit the existence of inventory at the warehouses as at 31st March 2020, which includes inspection of supporting documentation relating to purchases and sales as provided in the guidance note SA 501 "Audit Evidence - Specific Considerations for Selected Items" of the Institute of Chartered Accountants of India and have obtained sufficient appropriate evidence to issue our unmodified opinion on the standalone financial statements.

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 matter.

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) we have sought and obtained 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) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the report of the other auditors;
 - (c) 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) in our opinion 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) on the basis of the written representations received from the directors of the Holding Company as on 31st March 2020, 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 31st March, 2020 from being appointed as a director, in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and operating effectiveness of such controls, refer to our separate report in Annexure A;
 - (g) 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.
 - (h) 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.

For **M/s. Bhogilal C. Shah & Co.,**
Chartered Accountants
Firm Registration No.: 101424W

Sd/-
Suril Shah
Partner
Membership No.: 42710

Place: Mumbai

Date: 23rd June, 2020

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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of Compuage Infocom Limited ("the Holding Company").

Management's responsibility for Internal Financial Controls

The Board of Directors of the Holding Company 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. We 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, issued by ICAI 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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.

For **M/s. Bhogilal C. Shah & Co.,**
Chartered Accountants
Firm Registration No.: 101424W

Sd/-
Suril Shah
Partner
Membership No.: 42710

Place: Mumbai

Date: 23rd June, 2020

Compuage Infocom Limited

Consolidated Balance Sheet as at March 31, 2020

(Rs. In Lakhs)

| Particulars | Note | 31-Mar-20 | 31-Mar-19 |
|---|------|--------------------|--------------------|
| A. ASSETS | | | |
| 1. Non-current assets | | | |
| a) Property, plant and equipment | 2 | 5,009.28 | 5,386.82 |
| b) Intangible assets | 2 | 1.02 | 4.76 |
| c) Financial assets | | | |
| (i) Investments | 3 | 73.13 | 48.12 |
| (ii) Others financial assets | 4 | 1.81 | 0.88 |
| Total non-current assets | | 5,085.24 | 5,440.58 |
| 2. Current assets | | | |
| a) Inventories | 5 | 33,795.26 | 30,139.02 |
| b) Financial assets | | | |
| (i) Investments | 6 | - | 250.92 |
| (ii) Trade receivables | 7 | 55,425.77 | 64,459.39 |
| (iii) Cash and cash equivalents | 8 | 914.90 | 4,463.29 |
| (iv) Bank balances other than (iii) above | 9 | 7,052.01 | 7,343.65 |
| (v) Loans | 10 | 506.46 | 525.99 |
| (vi) Other financial assets | 11 | 1,122.20 | 751.43 |
| c) Current tax assets (net) | 12 | 558.01 | 383.83 |
| d) Other current assets | 13 | 9,690.88 | 10,363.22 |
| Total current assets | | 1,09,065.49 | 1,18,680.74 |
| TOTAL ASSETS | | 1,14,150.73 | 1,24,121.32 |
| B. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Equity share capital | 14 | 1,299.52 | 1,299.52 |
| b) Other equity | 15 | 18,908.48 | 16,380.11 |
| Total equity | | 20,208.00 | 17,679.63 |
| Liabilities | | | |
| 1. Non-current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 16 | 2,136.13 | 2,287.09 |
| b) Provisions | 17 | 184.88 | 225.95 |
| c) Deferred tax liabilities (net) | 18 | 411.23 | 619.70 |
| Total non-current liabilities | | 2,732.24 | 3,132.74 |
| 2. Current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 19 | 45,088.49 | 46,025.88 |

| | | | |
|--|----|--------------------|--------------------|
| (ii) Trade payables | 20 | 39,260.98 | 50,748.92 |
| (iii) Other financial liabilities | 21 | 3,353.41 | 3,919.01 |
| b) Other current liabilities | 22 | 3,477.61 | 2,560.98 |
| c) Provisions | 23 | 30.00 | 54.16 |
| Total current liabilities | | 91,210.49 | 1,03,308.95 |
| Total liabilities | | 93,942.73 | 1,06,441.69 |
| TOTAL EQUITY AND LIABILITIES | | 1,14,150.73 | 1,24,121.32 |
| Significant accounting policies | 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

For and Behalf of the Board Of Directors

of Compuage Infocom Limited

(CA. S. V. Shah)
Partner

Membership No. : 042710

G. S Ganesh
Independent

Director
DIN: 00010877

Bhavesh H. Mehta

Whole Time
Director

DIN: 00740861

Atul H. Mehta
Chairman &
Managing
Director

DIN: 00716869

Place : Mumbai

Dated : 23rd June, 2020

Sunil Mehta
CFO

Ruchita Shah
Company Secretary

Compuage Infocom Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lakh unless otherwise stated)

| Particulars | Note | 2019-20 | 2018-19 |
|--|------|--------------------|--------------------|
| Revenue from operations | 24 | 4,23,250.77 | 4,51,483.37 |
| Other income | 25 | 1,672.63 | 1,653.27 |
| Total Income | | 4,24,923.40 | 4,53,136.64 |
| Expenses | | | |
| Purchase of stock-in-trade | 26 | 4,09,093.43 | 4,35,166.39 |
| Changes in inventories of stock in trade | 27 | (3,656.24) | (877.29) |
| Employee benefits expense | 28 | 3,851.92 | 4,427.58 |
| Finance costs | 29 | 6,085.07 | 5,425.88 |
| Depreciation and amortisation expenses | 2 | 419.05 | 414.22 |
| Other expenses | 30 | 5,135.04 | 5,064.44 |
| Total Expenses | | 4,20,928.27 | 4,49,621.22 |
| Profit before exceptional items and tax | | 3,995.13 | 3,515.42 |
| Profit before tax | | 3,995.13 | 3,515.42 |
| Tax expense | | | |
| Current tax | 18 | 1,051.02 | 1,250.00 |
| Tax for Earlier Years | 18 | 30.01 | - |
| Deferred tax | 18 | (136.85) | (3.48) |
| Total tax expense | | 944.18 | 1,246.52 |
| Profit for the year | | 3,050.95 | 2,268.90 |
| Other Comprehensive Income | | | |
| a) Items that will not be reclassified to profit and loss | | | |
| - Remeasurment of Defined Employee Benefit Plans | | 27.00 | - |
| - Income Tax relating to above items | | (6.80) | - |
| b) Items that will be reclassified to profit and loss | | | |
| - Foreign Currency Translation difference | | (311.59) | - |
| - Income Tax relating to above items | | 78.42 | - |
| Other Comprehensive Income, net of tax | | (212.97) | - |
| Total Comprehensive Income for the year | | 2,837.98 | 2,268.90 |
| Earnings per Equity share attributable to owners of the Company | | | |
| No. of shares | | 649.76 | 649.76 |
| Basic and diluted earnings per Equity share of ₹2 each | | 4.37 | 3.49 |

The above Statement of Profit and 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**

**For and Behalf of the Board Of Directors
of Compugate Infocom Limited**

**(CA. S. V. Shah)
Partner**

Membership No. : 042710

**G.S Ganesh
Independent
Director**

DIN: 00010877

**Bhavesh H. Mehta
Whole Time
Director**

DIN: 00740861

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

DIN: 00716869

Place : Mumbai

Dated : 23rd June, 2020

**Sunil Mehta
CFO**

**Ruchita Shah
Company Secretary**

Compuage Infocom Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2020

(₹ In Lakhs)

| | Particulars | March 31, 2020 | March 31, 2019 |
|-----------|--|-------------------|-------------------|
| A. | Cash Flows From Operating Activities | | |
| | Profit before tax | 3,995.13 | 3,515.42 |
| | <u>Adjustment For:</u> | | |
| | Depreciation and amortisation expenses | 419.05 | 414.22 |
| | Unrealised Exchange Rate Difference (Net) | (308.39) | 2.47 |
| | Finance costs | 6,085.07 | 5,425.88 |
| | Interest income from financial assets measured at amortised cost | (1,661.52) | (1,598.58) |
| | Dividend received on current investments | (2.36) | (11.98) |
| | Loss on Sale of Investment | - | 0.02 |
| | Loss on Sale of Property, Plant & Equipment | - | 0.25 |
| | Operating Profit Before Working Capital Changes | 8,526.98 | 7,747.70 |
| | Changes in working capital: | | |
| | Decrease/(Increase) In Inventories | (3,656.24) | (877.29) |
| | Decrease/(Increase) In Trade Receivables | 9,033.62 | (6,707.59) |
| | Decrease/(Increase) In Current Loans | 19.53 | (31.27) |
| | Decrease/(Increase) In Other Current Assets | 672.34 | (3,491.98) |
| | Decrease/(Increase) In Other Financial Assets | (370.77) | 83.63 |
| | Increase / (Decrease) In Trade Payables | (11,487.94) | 292.91 |
| | Increase / (Decrease) In Other Financial Liabilities | (565.60) | 1,231.72 |
| | Increase / (Decrease) In Other Current Liabilities | 916.63 | (315.88) |
| | Increase / (Decrease) In Current provisions | (24.16) | 41.66 |
| | Increase / (Decrease) In Non Current provisions | (14.07) | - |
| | Total | (5,476.66) | (9,774.09) |
| | Income tax paid (net of refund) | (1,255.21) | (1,423.35) |
| | Net Cash Inflow/(Outflow) From Operating Activities (A) | 1,795.11 | (3,449.74) |
| B. | Cash Flows From Investing Activities | | |
| | Purchase of Property, plant and equipment | (37.77) | (1,403.07) |
| | Purchase of intangible assets | - | (0.17) |
| | Sale of Property, plant and equipment | - | 3.48 |
| | Sale/(Purchase) of Current Investments (net) | 250.92 | 6.08 |
| | Sale/(Purchase) of Non-Current Investments | (25.01) | (13.50) |
| | Proceeds from / (Payment of) fixed deposits | 290.71 | 222.87 |
| | Interest received on financial assets measured at amortised cost | 1,661.52 | 1,598.58 |
| | Dividend Received on Current Investments | 2.36 | 11.98 |

| | | | |
|-----------|---|-------------------|-----------------|
| | Loss on Sale of Investment | - | (0.02) |
| | Net Cash Inflow/(Outflow) From Investing Activities (B) | 2,142.73 | 426.23 |
| C. | Cash Flows From Financing Activities | | |
| | Proceeds from / (Repayment of) Equity Infusion | - | 1,683.67 |
| | Proceeds from / (Repayment of) Current Borrowings | (937.39) | 5,954.81 |
| | Proceeds from / (Repayment of) Non- Current Borrowings | (150.96) | 921.40 |
| | Interest Paid | (6,085.07) | (5,425.88) |
| | Dividend on Equity shares (including dividend distribution tax) | (312.81) | (282.79) |
| | Net Cash Inflow/(Outflow) From Financing Activities (C) | (7,486.23) | 2,851.21 |
| | Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C) | (3,548.39) | (172.30) |
| | Cash And Cash Equivalents As At Beginning Of The Year | 4,463.29 | 4,635.59 |
| | Cash And Cash Equivalents As At End Of The Year | 914.90 | 4,463.29 |

- 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.
- ii Cash flows from operating activities includes ₹65.49 Lakhs (March 31, 2019 : ₹49.01 Lakhs) being expenses towards Corporate Social Responsibility initiatives.

As per our report of even date

For Bhogilal C. Shah & Co.

Firm Reg. No.: 101424W

Chartered Accountants

For and Behalf of the Board Of Directors

of Compuage Infocom Limited

(CA. S. V. Shah)
Partner

Membership No. : 042710

G. S Ganesh
Director

DIN: 00010877

Bhavesh H. Mehta
Whole Time
Director

DIN: 00740861

Atul H. Mehta
Chairman &
Managing Director

DIN: 00716869

Place : Mumbai

Dated : 23rd June, 2020

Sunil Mehta

CFO

Ruchita Shah

Company Secretary

Compuage Infocom Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(₹ in Lakh unless otherwise stated)

A. Equity Share Capital

| Particulars | Note | Amount |
|---|------|----------|
| As at April 01, 2018 | 14 | 1,174.80 |
| Changes in Equity share capital during the year | | 124.72 |
| As at March 31, 2019 | 14 | 1,299.52 |
| Changes in Equity share capital during the year | | - |
| As at March 31, 2020 | 14 | 1,299.52 |

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, 2019 | 3,668.80 | 35.36 | 134.84 | 129.72 | 12,440.32 | - | (28.95) | 16,380.09 |
| Profit for the year | - | - | - | - | 3,050.95 | - | 3.22 | 3,054.17 |
| Other Comprehensive Income | - | - | - | - | (212.97) | - | - | (212.97) |
| Total comprehensive income for the year | - | - | - | - | 2,837.98 | - | 3.22 | 2,841.20 |
| Transactions with owners in their capacity as owners: | - | - | - | - | - | - | - | - |
| Dividend paid (including dividend distribution tax) | - | - | - | - | (312.81) | - | - | (312.81) |
| As at March 31, 2020 | 3,668.80 | 35.36 | 134.84 | 129.72 | 14,965.49 | - | (25.73) | 18,908.48 |

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

Compuage Infocom Limited

Summary of Significant accounting policies to consolidated financial statements for the year ended 31st March 2020

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, 2020 | As at March 31, 2019 |
| Compuage Infocom (S) Pte Ltd | Singapore | 100% | 100% |

Note 1: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2020

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.

ii) Associate companies:

Associate companies are all entities over which the Group has significant influence, but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associate companies are accounted for using the equity method of accounting {see (iv) below}.

iii) Joint arrangements:

Under Ind AS 111 Joint arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interest only in one joint venture company.

Joint venture company

Interest in joint venture company are accounted for using the equity method {see (iv) below}.

iv) Equity method:

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize share of the Group in post-acquisition profit and loss of the investee in profit and loss, and share of the Group in Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associate company and joint venture company are recognized as a reduction in the carrying amount of the investment.

When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associate company and joint venture company are eliminated to the extent of the Group interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting Policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in (xiv) below

v) Changes in ownership interest :

The Group treats transactions with non-controlling interest that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interest and

any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amount previously recognised in Other Comprehensive Income in respect of that entity is 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 non-refundable 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). De-recognition:

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 de-recognition 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 is 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:

- iii) Fair value {either through Other Comprehensive Income (FVOCI) or through Profit or Loss (FTVPL)} or,
- iv) 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:

- iii) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, and bank balance.
- iv) 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.

NOTE 2 : Property, Plant And Equipment

| Particulars | Buildings | IT Equipment | Vehicles | Office Equipment | Furniture and Fixture | Total Property, plant and equipment | Intangible Assets |
|------------------------------------|-----------|--------------|----------|------------------|-----------------------|-------------------------------------|-------------------|
| Gross carrying amount | | | | | | | |
| As at April 1st, 2019 | 4,291.62 | 1,797.08 | 123.12 | 789.74 | 1,568.93 | 8,570.49 | 11.99 |
| Additions | - | 18.19 | - | 4.65 | 14.93 | 37.77 | - |
| Disposals | - | - | - | - | - | - | - |
| As at March 31, 2020 | 4,291.62 | 1,815.27 | 123.12 | 794.39 | 1,583.86 | 8,608.26 | 11.99 |
| Depreciation Amortisation | | | | | | | |
| As at March 31, 2019 | 177.09 | 1,581.11 | 75.80 | 490.41 | 859.26 | 3,183.67 | 7.23 |
| Charge For the year | 75.39 | 107.97 | 7.54 | 73.95 | 150.46 | 415.31 | 3.74 |
| Disposals | - | - | - | - | - | - | - |
| upto March 31, 2020 | 252.48 | 1,689.08 | 83.34 | 564.36 | 1,009.72 | 3,598.98 | 10.97 |

| Net carrying amount | | | | | | | |
|---------------------|----------|--------|-------|--------|--------|----------|------|
| As at 31-03-2019 | 4,114.53 | 215.97 | 47.32 | 299.33 | 709.67 | 5,386.82 | 4.76 |
| As at 31-03-2020 | 4,039.14 | 126.19 | 39.78 | 230.03 | 574.14 | 5,009.28 | 1.02 |

NOTE 3 : Non-Current Investments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| a) Investment in equity instruments of Other Company measured at FVTPL - Unquoted 243751 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of ₹30 Each. (Previous year: 160416, Equity Shares). | 73.13 | 48.12 |
| Total | 73.13 | 48.12 |

NOTE 4 : Other Non -Current Financial Assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Fixed Deposits with Banks, with maturity beyond 12 months | 1.81 | 0.88 |
| Total | 1.81 | 0.88 |

NOTE 5 : Inventories

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------|-------------------------|-------------------------|
| Stock in trade | 33,795.26 | 30,139.02 |
| Total | 33,795.26 | 30,139.02 |

NOTE 6 : Current Investments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Investment in mutual funds, unquoted, fair value through Profit and Loss NIL units (2,49,803.323 units 31-03-19) of Birla Sun Life Cash Manager Weekly Dividend Mutual Fund | - | 250.92 |
| Total | - | 250.92 |

NOTE 7 : Trade Receivables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|-------------------------|-------------------------|
| Unsecured, considered good | 55,425.77 | 64,459.39 |

| | | |
|--------------|------------------|------------------|
| | | |
| Total | 55,425.77 | 64,459.39 |

NOTE 8 : Cash and Cash Equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Bank balances | | |
| In current accounts | 137.20 | 4,224.37 |
| In unpaid dividend accounts | 20.41 | 19.60 |
| Cheques on hand | 600.00 | 22.00 |
| Cash on hand | 21.72 | 9.96 |
| Fixed deposits with original maturity less than 3 months | 135.57 | 187.36 |
| Total | 914.90 | 4,463.29 |

NOTE 9 : Other Bank Balances

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Fixed deposits with remaining maturity less than 12 months | 7,052.01 | 7,343.65 |
| Total | 7,052.01 | 7,343.65 |

NOTE 10 : Current Loans

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------|-------------------------|-------------------------|
| Security deposits | 486.19 | 485.22 |
| Loans to employees | 20.27 | 40.77 |
| Total | 506.46 | 525.99 |

NOTE 11 : Other Current Financial Assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|-------------------------|-------------------------|
| Fixed deposits other than Banks | 670.00 | 670.00 |
| Interest accrued | 452.20 | 81.43 |
| Total | 1,122.20 | 751.43 |

NOTE 12 : Current Tax Assets (Net)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Advance income tax (net of provisions) | 558.01 | 383.83 |
| Total | 558.01 | 383.83 |

NOTE 13 : Other Current Assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------|-------------------------|-------------------------|
| | | |

| | | |
|--------------------------------------|-----------------|------------------|
| Prepaid expenses | 1,206.79 | 1,050.99 |
| Advances to staffs | 37.14 | 11.12 |
| Advances to supplier | 1,666.20 | 3,585.80 |
| Balances with Government authorities | 6,780.75 | 5,715.31 |
| Total | 9,690.88 | 10,363.22 |

NOTE 14 : Equity Share Capital

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Authorised | | |
| 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 paisa) each | 4.67 | 4.67 |
| 1,10,00,000 Preference shares of ₹10.00 each | 1,100.00 | 1,100.00 |
| Total | 3,030.07 | 3,030.07 |
| Issued, subscribed and fully paid-up | | |
| 6,49,75,806 Equity shares of ₹2.00 each fully paid | 1,299.52 | 1,299.52 |
| Total | 1,299.52 | 1,299.52 |

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|-------------------------|-----------------|-------------------------|-----------------|
| | No. in lakh | ₹ In lakh | No. in lakh | ₹ In lakh |
| At the beginning of the Period | 649.76 | 1,299.52 | 587.40 | 1,174.80 |
| Add : Preferential allotment | - | - | 62.36 | 124.72 |
| Outstanding at the end of the period | 649.76 | 1,299.52 | 649.76 | 1,299.52 |

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.

The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2020, the amount of per share final dividend proposed as distribution to the Equity Shareholders is ₹0.20 per share (31st March 2019 : ₹0.40 per share)

c) Details of Shareholders holding more than 5% of Equity shares:

| Name of Shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|---------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Holding % | No. of shares | Holding % | No. of shares |
| 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 |
| 4. Kitara India Micro Cap Growth Fund | 5.95% | 38.65 | 7.91% | 51.38 |

NOTE 15 : Other Equity

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| a) Capital reserve | 134.84 | 134.84 |
| b) Capital redemption reserve | 129.72 | 129.72 |
| c) Securities premium reserve | 3,668.80 | 3,668.80 |
| d) General reserve | 35.36 | 35.38 |
| e) Foreign currency Translation Reserve | | |
| i) Exchange difference in translating the financial statements of a foreign operation | | |
| Balance as at the beginning of the year | (28.95) | (31.47) |
| Add: Changes in foreign currency translation reserve | 3.22 | 2.52 |
| Balance as at the end of the year | (25.73) | (28.95) |
| f) Retained Earnings | | |
| Balance at the beginning of the year | 12,440.32 | 10,682.66 |
| Add: Profit for the year | 3,050.95 | 2,268.90 |
| Add: Add Other Comprehensive Income | (212.97) | - |
| Less: Dividend on Equity shares | (259.90) | (234.96) |
| Less: Dividend distribution tax on dividend | (52.91) | (47.83) |
| Less: Gratuity Provision of prior period | - | (228.45) |
| Balance as at the end of the year | 14,965.49 | 12,440.32 |
| Total | 18,908.48 | 16,380.11 |

NOTE 16 : Non-Current Borrowings

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Term loans from banks, secured | 844.06 | 1,438.34 |
| Term loans from others, unsecured | 292.07 | 848.75 |
| 9% Cumulative Non- Convertible Redeemable Preference Shares | 1,000.00 | - |
| Total | 2,136.13 | 2,287.09 |

Term loan from Indian Bank (secured by hypothecation of office premises) carry interest of 11.15% pa and is repayable in 20 equal quarterly instalment of 125 lakh each along with interest.

Term Loan from ICICI Bank (Home Loan secured by hypothecation of Building) carry floating interest of 9.20% pa and is repayable in 60 equal monthly Instalment of 17.52 lakh each along with interest.

Cumulative Non- Convertible Redeemable Preference Shares carry Interest of 9% (Effective Rate 10.85%) and are redeemable on the expiry of 96 months of Deemed Date of Allotment or one month from the time of exercise of put option. Put option can be exercised any time after the end of 24 months from the deemed date of allotment.

The company has not defaulted on repayment of loans and interest during the year.

NOTE 17 : Non- Current Provisions

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------|-------------------------|-------------------------|
| Provision for Gratuity | 184.88 | 225.95 |
| Total | 184.88 | 225.95 |

Note 18:- Current And Deferred Tax

The major components of income tax expense for the years ended March 31 2020 & March 31, 2019 are:

a) Income tax expense

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| i) Current tax | | |
| Current tax on profits for the year | 1,051.02 | 1,250.00 |
| Adjustments for current tax of prior period | - | - |
| Total current tax expense | 1,051.02 | 1,250.00 |
| ii) Deferred tax | | |
| (Decrease) Increase in deferred tax liabilities | (136.85) | (3.48) |
| Decrease (Increase) in deferred tax assets | - | - |
| Total deferred tax expense (benefit) | (136.85) | (3.48) |
| Income tax expense | 914.17 | 1,246.52 |

b) The Statutory income tax rate applied for computing current tax & for Deferred Tax @ 25.168 % as applicable to the Company.

c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognized in equity and not in Statement of Profit and Loss or other comprehensive income.

d) Current tax assets (net)

| Particulars | As at 31-03-2020 | As at 31-03-2019 |
|---|---------------------|---------------------|
| Opening balance | 383.83 | 210.48 |
| Add: Tax paid in advance, net of provisions during the year | 174.18 | 173.35 |
| Closing balance | 558.01 | 383.83 |

e) 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 31-03-2020 | (Charged) Credited | As at 31-03- 2019 | (Charged) Credited |
|---|---------------------|-------------------------|-------------------------|----------------------------|
| Property, plant and equipment & Intangible assets p&l | 482.25 | (136.62) | 618.87 | (1.98) |
| Fair valuation of term loan p&l | 0.60 | (0.23) | 0.83 | (1.50) |
| Remeasurment of Defined Employee Benefit Plans-OCI | 6.80 | 6.80 | - | - |
| Foreign Currency Transalation difference-OCI | (78.42) | (78.42) | - | - |
| Total deferred tax liabilities | 411.23 | (208.47) | 619.70 | (3.48) |
| Carry forward of losses | - | - | - | - |
| Total deferred tax assets | - | - | - | - |
| Net deferred tax (asset) liability | 411.23 | (208.47) | 619.70 | (3.48) |

NOTE 19 : Current Borrowings

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------|-------------------------|-------------------------|
| Secured | | |
| Cash credit from banks | 31,351.21 | 30,401.29 |
| Unsecured | | |
| Loan from related parties | 2,696.19 | 3,276.58 |
| Loan from others | 10,898.59 | 12,107.01 |
| Deposits | 142.50 | 241.00 |
| Total | 45,088.49 | 46,025.88 |

NOTE 20 : Trade Payables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Due to Micro, Small & Medium Enterprises | - | - |
| Others | 39,260.98 | 50,748.92 |
| Total | 39,260.98 | 50,748.92 |

NOTE 21 : Other Current Financial Liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Current maturities of long term liabilities | 1,157.29 | 1,324.41 |
| Unpaid dividends | 20.41 | 19.60 |
| Other payables | 2,175.71 | 2,575.00 |
| Total | 3,353.41 | 3,919.01 |

NOTE 22 : Other Current Liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------|-------------------------|-------------------------|
| Statutory Dues | 2,174.04 | 484.89 |
| Advances from customers | 1,303.57 | 2,076.08 |
| Total | 3,477.61 | 2,560.98 |

NOTE 23 : Current Provisions

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|-------------------------|-------------------------|
| Provision for gratuity | 30.00 | 2.50 |
| Provision for dividend tax | - | 51.66 |
| Total | 30.00 | 54.16 |

NOTE 24 : Revenue From Operations

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|-------------------------|-------------------------|
| (a) Sale of Products | | |
| Computer Components & Others | 4,22,375.66 | 4,50,475.89 |
| Total (a) | 4,22,375.66 | 4,50,475.89 |
| (b) Sale of services | | |
| Product support services | 875.11 | 1,007.48 |
| Total (b) | 875.11 | 1,007.48 |
| Total | 4,23,250.77 | 4,51,483.37 |

NOTE 25 : Other Income

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|-------------------------|-------------------------|
| Dividend from mutual funds | 2.36 | 11.98 |
| Interest from bank deposits | 497.04 | 517.16 |
| Interest from others | 1,164.48 | 1,081.42 |
| Net exchange rate difference - gain | - | 41.87 |
| Miscellaneous income | 8.75 | 0.84 |
| Total | 1,672.63 | 1,653.27 |

NOTE 26 : Purchase Of Stock-In-Trade

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|-------------------------|-------------------------|
| Computer Components & Others | 4,09,093.43 | 4,35,166.39 |
| Total | 4,09,093.43 | 4,35,166.39 |

NOTE 27 : Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| (a) Stocks at the end of the year | | |
| Stock-in-trade | 33,795.26 | 30,139.02 |
| Total (a) | 33,795.26 | 30,139.02 |
| Less : | | |
| (b) Stocks at beginning of the year | | |
| Stock-in-trade | 30,139.02 | 29,261.73 |
| Total (b) | 30,139.02 | 29,261.73 |
| (Increase) Decrease in stocks | (3,656.24) | (877.29) |

NOTE 28 : Employee Benefit Expenses

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Salaries, wages and bonus | 3,577.48 | 4,149.71 |
| Contribution to provident and other funds | 81.90 | 98.26 |
| Gratuity | 63.02 | 25.93 |
| Staff welfare | 129.52 | 153.68 |
| Total | 3,851.92 | 4,427.58 |

Note 29 : Finance Costs

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Interest on borrowings (at amortised cost) | 5,988.43 | 5,425.88 |
| Interest on Preference Shares | 96.64 | - |
| Total | 6,085.07 | 5,425.88 |

NOTE 30 : Other Expenses

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Rent and compensation | 888.00 | 852.11 |
| Power & fuel | 96.55 | 90.52 |
| Rates and taxes | 14.74 | 10.42 |
| Insurance | 446.86 | 333.84 |
| <u>Payments to the statutory auditors:</u> | | |
| a) Audit fees | 17.41 | 15.23 |
| b) Tax matters | 2.00 | 2.00 |
| c) Other matters | 1.48 | 1.48 |
| Expenditure on Corporate Social Responsibility | 65.49 | 49.01 |
| Net exchange rate difference - loss | 123.65 | - |
| Loss on sale of Investment | - | 0.02 |
| Loss on sale of Assets | - | 0.25 |
| Miscellaneous expenses | 3,478.86 | 3,709.55 |
| Total | 5,135.04 | 5,064.44 |

NOTE 31:- Contingent Liabilities

The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as follows:

| Particulars | As at 31-03-2020 | As at 31-03-2019 |
|--|---------------------|---------------------|
| <u>Claims against the Company not acknowledged as debts</u> | | |
| Disputed demands in respect of VAT/Custom Duty | - | - |
| (Based on legal opinion, the Company does not feel any liability will arise and hence no provision has been made in the accounts.) | 857.14 | 1,136.89 |

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 favor and has therefore, not recognized 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 32:- Employee Benefit Obligations

Funded Scheme

a) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan through the Life Insurance Corporation of India'. Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

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, 2019. 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 the actuarial valuation obtained in respect, the following table sets out the status of the gratuity plan and the amounts recognized in the company's financial statements as at the balance sheet date:

| (Rs.in Lakhs) | | |
|--|---------------------------------|---------------------------------|
| A) Amount Recognized in Statement of Financial Position at Period-End | As at March 31, 2020 | As at March 31, 2019 |
| Present Value of Funded Defined Benefit Obligation | 231.41 | 239.01 |
| Fair value of Plan Assets | (16.53) | (10.55) |
| Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position | 214.88 | 228.46 |
| B) Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End | As at March 31, 2020 | As at March 31, 2019 |
| Service Cost | 42.92 | - |
| Interest Cost on DBO (A) | 21.02 | - |
| Interest Income Plan Assets (B) | (0.92) | - |
| Net Interest Cost (A) + (B) | 20.10 | - |
| Past Service Cost | - | 228.46 |
| Total Defined Benefit Cost/(Income) included in Profit & Loss | 63.02 | 228.46 |
| C) Current / Non-Current Bifurcation | As at March 31, 2020 | As at March 31, 2019 |
| Current Liability | 30.00 | 2.50 |
| Non-Current Liability | 184.88 | 225.96 |
| (Asset)/Liability Recognised in the Balance Sheet | 214.88 | 228.46 |
| D) Actual Return on Plan Assets | As at March 31, 2020 | As at March 31, 2019 |

| | | |
|-------------------------------------|-------------|----------|
| Interest Income on Plan Assets | 0.92 | - |
| Remeasurment on Plan Assets | 0.55 | - |
| Actual Return on Plan Assets | 1.47 | - |

| E) Analysis of Amounts Recognized in Other Comprehensive (Income) / Loss at Period-End | As at March 31, 2020 | As at March 31, 2019 |
|---|-----------------------------|-----------------------------|
| Amount recognized in OCI - Beginning of the period | - | - |
| Remeasurment due to : | | |
| Effect of change in financial assumptions (A) | 28.98 | - |
| Effect of experience adjustments (B) | (55.43) | - |
| Actuarial (Gains) / Losses (A) + (B) | (26.45) | - |
| Return on Plan Assets (excluding interest) | (0.55) | - |
| Amount recognized in OCI - End of the period | (27.00) | - |

| F) Total Defined Benefit Cost / (Income) included in Profit & Loss and Other Comprehensive Income | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Amount recognized in Profit & Loss, End of Period | 63.02 | 228.46 |
| Amount recognized in OCI, End of Period | (27.00) | - |
| (Asset)/Liability Recognised in the Balance Sheet | 36.02 | 228.46 |

| G) Change in Defined Benefit Obligation during the Period | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Defined Benefit Obligation, Beginning of the Period | 239.01 | - |
| Net Current Service Cost | 42.92 | - |
| Interest Cost on DBO | 21.02 | - |
| Actuarial (Gains) / Losses | (26.45) | - |
| Benefits Paid | (45.09) | - |
| Past Service Cost | - | 239.01 |
| Defined Benefit Obligation, End of Period | 231.41 | 239.01 |

| H) Change in Fair value of Plan Assets during the Period | As at March 31, 2020 | As at March 31, 2019 |
|---|-----------------------------|-----------------------------|
| Fair Value of Plan Assets, Beginning of the Period | 10.55 | - |
| Interest Income Plan Assets | 0.92 | - |
| Actual Company Contributions | 49.60 | 10.55 |
| Actuarial Gains / (Losses) | 0.55 | - |
| Benefits Paid | (45.09) | - |
| Fair value of Plan Assets, End of Period | 16.53 | 10.55 |

| I) Reconciliation of Balance Sheet Amount | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Balance Sheet (Asset) / Liability, Beginning of the Period | 228.46 | - |

| | | |
|--|---------------|---------------|
| Total Charge/(Credit) Recognised in Profit and Loss | 63.02 | 228.46 |
| Total Remeasurment Recognized in Other Comprehensive (Income) / Loss | (27.00) | - |
| Employer Contributions | (49.60) | |
| Balance Sheet (Asset)/Liability, End of Period | 214.88 | 228.46 |

| J) Financial Assumptions Used to Determine the Defined Benefit Obligation | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Discount Rate | 6.75% | 7.80% |
| Salary Escalation Rate | 5.00% | 5.00% |

| K) Financial Assumptions Used to Determine the Profit & Loss Charge | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Discount Rate | 7.80% | 7.80% |
| Salary Escalation Rate | 5.00% | 5.00% |
| Expected Return on Plan Assets | 7.80% | 7.80% |

| L) Demographic Assumptions Used to Determine the Defined Benefit Obligation | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Withdrawal Rate: | | |
| Upto age 30 | 3.00% | 3.00% |
| Age 31 to 40 | 2.00% | 2.00% |
| Above Age 40 | 1.00% | 1.00% |
| Mortality Rate | IALM (2012-14) | IALM (2006-08) |
| Retirement Age | 58 years | 58 years |

| M) Asset Category | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------|-----------------------------|-----------------------------|
| Insurer Managed Funds | 16.53 | 10.55 |
| Total | 16.53 | 10.55 |

| N) Expected cashflows for the next 10 years | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------------|-----------------------------|
| Year-2020 | - | 24.97 |
| Year-2021 | 4.37 | 5.38 |
| Year-2022 | 4.53 | 5.62 |
| Year-2023 | 4.93 | 6.12 |
| Year-2024 | 19.22 | 19.89 |
| Year-2025 | 5.53 | - |
| Year-2025 to 2029 | - | 63.40 |
| Year-2026 to 2030 | 80.52 | - |

| O) Defined Benefit Obligation - Sensitivity Analysis | As at March 31, 2020 | As at March 31, 2019 |
|---|---------------------------------|---------------------------------|
| Discount Rate + 100 basis points | 203.70 | 213.14 |
| Discount Rate - 100 basis points | 264.49 | 269.74 |
| Salary Escalation Rate + 100 basis points | 260.37 | 263.66 |
| Salary Escalation Rate - 100 basis points | 205.65 | 217.11 |
| Attrition Rate + 100 basis points | 235.98 | 247.51 |
| Attrition Rate - 100 basis points | 226.09 | 229.27 |

Note 33

Segment Reporting

The Company operates only in one reportable segment.

Note 34

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 recognized in the Statement of Profit and Loss for the year are Rs. 888.00 lakh (previous year Rs.852.11 lakh). The contingent rent recognized in the Statement of Profit and Loss for the year is Rs.nil (previous year Rs.nil).

NOTE 35- Disclosures As Required By Indian Accounting Standard (Ind AS) 33 Earnings Per Share

| Particulars | 2019-20 | 2018-19 |
|--|----------------|----------------|
| Face value of equity share (in Rs.) | 2.00 | 2.00 |
| Weighted average number of equity shares outstanding (in Nos) | 6,49,75,806 | 6,49,75,806 |
| Profit for the year (Rs. in Lakh) | 2,837.98 | 2,268.90 |
| Weighted average earnings per share (basic and diluted) (in Rs.) | 4.37 | 3.49 |

NOTE 36: Capital management

Risk Management

The primary objective of Capital Management of the Company is to maximize 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 31/03/2020 | As at 31/03/2019 |
|---|------------------|------------------|
| Total debt | 47,224.62 | 48,312.97 |
| Less: Cash and cash equivalents & Other Bank balances | 7,966.91 | 11,806.94 |
| Net Debt | 39,257.71 | 36,506.03 |
| Total equity | 20,208.00 | 17,679.63 |
| Debt-Equity ratio | 1.94 | 2.06 |

NOTE 37 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 | Chief Financial Officer |
| Disha Shah up to 23-11-2019 | Company Secretary |
| Ruchita Shah from 23-11-2019 | Company Secretary |

Non-Executive Directors

G.S. Ganesh
Vijay Agarwal
Preeti Trivedi up to 23rd August 2019
Fatima Nasab from 23rd August 2019

Category IV:

Others (Close family member of KMP and Entities in which the KMP or close family member of KMP have significant influence)

| | |
|------------------|---|
| Bhavesh M. Mehta | Brother of Sunil Mehta |
| Kamal M. Mehta | Brother of Sunil Mehta |
| 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 |
| Nisha S. Mehta | Wife of Sunil Mehta |

| | |
|----------------------------------|--|
| Sunil M. Mehta | HUF of Sunil Mehta |
| HUF | |
| Yash A. Mehta | Son of Atul 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 31/03/2020 | For the year ended 31/03/2019 |
|--|----------------------------------|----------------------------------|
| Interest Paid to: | | |
| Atul H.Mehta | 32.97 | 34.46 |
| Bhavesh H.Mehta | 73.83 | 92.97 |
| Bhavesh M. Mehta | 1.73 | 2.25 |
| Falguni A. Mehta | 3.89 | 2.80 |
| Forum B. Mehta | 5.79 | 3.29 |
| Ajay H. Mehta | 15.19 | 9.15 |
| Nisha S. Mehta | 0.07 | 2.32 |
| Sunil M. Mehta HUF | 6.29 | 6.77 |
| Sunil M. Mehta | 3.39 | 2.87 |
| Kamal M.Mehta | 0.48 | 1.25 |
| Yash A.Mehta | 0.10 | 0.18 |
| | | |
| Remuneration Paid to: | | |
| Atul H.Mehta | 132.00 | 168.00 |
| Bhavesh H.Mehta | 132.00 | 168.00 |
| Disha Shah up to 23rd November 2019 | 4.87 | 7.88 |
| Ruchita Shah from 23rd November 2019 | 2.67 | - |
| Sunil Mehta | 65.44 | 65.44 |
| Sitting Fees to Non-Executive Directors | - | - |
| Vijay Agarwal | 3.00 | 5.00 |
| Preeti Trivedi up to 23rd August 2019 | 1.00 | 4.00 |
| Fatima Nasab from 23rd August 2019 | 3.00 | - |
| | | |
| Rent Paid to: | | |
| Trillizo Holdings Ltd. | 12.50 | 15.00 |
| | | |
| Printing & Stationery Paid to: | | |
| Pristine Care Products Pvt. Ltd. | 0.50 | 9.14 |

Balances due from/to the related parties:

| Particulars of transactions | As at 31/03/2020 | As at 31/03/2019 |
|----------------------------------|------------------|------------------|
| Outstanding receivables: | | |
| Trillizo Holdings Ltd. | 138.00 | 138.00 |
| Pristine Care Products Pvt. Ltd. | 75.75 | - |

Outstanding payables:

| | | |
|----------------------------------|----------|----------|
| Atul H.Mehta | 1,053.90 | 1,693.03 |
| Bhavesh H.Mehta | 1,417.48 | 1,473.45 |
| Bhavesh M. Mehta | - | 15.39 |
| Falguni A. Mehta | 39.32 | 6.16 |
| Forum B. Mehta | 59.33 | 10.26 |
| Ajay H. Mehta | 126.15 | 120.36 |
| Kamal M. Mehta | - | 15.39 |
| Yash A.Mehta | - | 2.56 |
| Pristine Care Products Pvt. Ltd. | 6.34 | 6.34 |

NOTE 38: 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 39:

Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2020 is ₹ 41,862 Lakh (Previous year ₹ 74,075 Lakh)

NOTE 40: Foreign Currency transactions

Expenditure in Foreign currency:

(₹ in lakh)

| Particular | Current Period | Previous Period |
|---------------------------|----------------|-----------------|
| Travelling | 67.26 | 90.67 |
| Mercantile Trade Purchase | 18,255.50 | 13,243.14 |

Earnings in Foreign Currency

| Particular | Current Period | Previous Period |
|-----------------------|----------------|-----------------|
| Mercantile Trade Sale | 18,445.17 | 13,375.57 |

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Compuage Infocom Limited will be held on Tuesday, 18th day of August, 2020 at 11:00 A.M. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2020 and the reports of the Directors and the Auditors thereon.**
- 2. To declare dividend on Equity shares for the financial year ended 31st March, 2020.**
- 3. To appoint a Director in place of Mr. Bhavesh H. Mehta (DIN: 00740861), who retires by rotation and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

- 4. 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:**

“**RESOLVED THAT** pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company be and are hereby authorised to appoint Branch Auditors, AAA Assurance PAC, Public Accountants and Chartered Accountants, Singapore, having Co. Registration No.201408818E to audit the accounts in respect of the Company’s branch office located at Singapore and to fix their terms and conditions of appointment and remuneration, plus taxes, as may be applicable, and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the branch office outside India for the year ending 31st March, 2021, as may be mutually agreed upon by the Board of Directors and the Accountants.”

- 5. To re-appoint Mr. Atul H. Mehta (DIN: 00716869) as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013, and Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Atul H. Mehta (DIN: 00716869) as Managing Director of the Company for a period of five years with effect from 8th September, 2020, at such salary, upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or salary in such manner as may be agreed between the Board of Directors and Mr. Atul H. Mehta.

RESOLVED FURTHER THAT the salary payable to Mr. Atul H. Mehta, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 read with Schedule V of the said Act or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to Nomination and Remuneration Committee or Director(s) to give effect to the aforesaid resolution.”

- 6. To re-appoint Mr. Bhavesh H. Mehta (DIN: 00740861) as a Whole-Time Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013 and Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Bhavesh H. Mehta (DIN: 00740861) as Whole-Time Director of the Company for a period of five years with effect from 18th October, 2020, at such salary, upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or salary in such manner as may be agreed between the Board of Directors and Mr. Bhavesh H. Mehta.

RESOLVED FURTHER THAT the salary payable to Mr. Bhavesh H. Mehta (DIN: 00740861), shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 read with Schedule V of the said Act or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to Nomination and Remuneration Committee or Director(s) to give effect to the aforesaid resolution.”

7. **To appoint Mr. Ajay H. Mehta (DIN: 00686327) as Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to provisions of Sections 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) and based on the recommendation of Nomination and Remuneration Committee and approval of the Board, Mr. Ajay H. Mehta (DIN: 00686327), who was appointed as Additional Director of the Company with effect from 18th July, 2020, and whose term expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing, from a member proposing his candidature for the office of Director liable to retire by rotation, be and is hereby appointed as Director of the Company, liable to retire by rotation, without any remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to Nomination and Remuneration Committee or Director(s) to give effect to the aforesaid resolution.”

By order of the Board
For **Compuage Infocom Limited**,

Sd/-

Atul H. Mehta
Chairman and Managing Director

Place: Mumbai
Date: 18th July, 2020

Registered Office:

D- 601/602 & G - 601/602, Lotus Corporate Park,
Graham Firth Steel Compound,
Western Express Highway,
Goregaon (E), Mumbai - 400 063, India.
CIN: L99999MH1999PLC135914
E-mail: investors.relations@compuageindia.com

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (hereinafter referred to as “MCA”) has, vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (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 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM is annexed.
4. Since this AGM is being held through VC / OAVM, the facility for appointment of proxy by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
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. Mr. Virendra G. Bhatt, Practicing Company Secretary, (C.P. No.124) 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.
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 bhattvirendra1945@yahoo.co.in with a copy marked to investors.relations@compuageindia.com

8. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 11th August, 2020 to Tuesday, 18th August, 2020 (both days inclusive) for the purpose of declaration of dividend, if any, approved by the Members.
9. The Dividend for the year ended 31st March, 2020 as recommended by the Board, if approved by the Members at the Annual General Meeting, will be paid on or after 19th August, 2020 to those members whose names appear in the Company's Register of Members on 10th August, 2020. In respect of shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
10. Details under Regulation 36 of the SEBI Listing Regulations with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-20, is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.compuageindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 11th August, 2020 through email on investors.relations@compuageindia.com. The same will be replied by the Company suitably.
13. Members may note that pursuant to the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of the Members with effect from 1st April, 2020 and therefore, the Company shall be required to deduct tax at source at the prescribed rates for various categories. Members are requested to refer the Finance Act, 2020 and amendments thereof.
14. Members are requested to :-

- i. Write to the Company through email at investors.relations@compuageindia.com atleast 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31st March, 2020.
- ii. Intimate to the Registrar & Transfer Agent (R&TA) 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 Depository Participant (DP) and not to the Company / R&TA.
- iii. Quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
- iv. Approach the R&TA of the Company for consolidation of folios.
- v. Avail Nomination facility by filing in form SH-13 in accordance with Section 72 of the Companies Act, 2013 and forward the same to the R&TA, if not done. (Applicable for those holding shares in physical form).
- vi. Send all share transfer lodgments (physical mode) / correspondence to the R&TA of the Company, Link Intime India Private Limited, upto the date of book closure.

LINK INTIME INDIA PRIVATE LIMITED

C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai - 400 083.

15. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend.
16. In compliance with the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and SEBI vide circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 members who wish to give their mandate for receiving dividends directly in their bank accounts through Electronic Clearing System (ECS) or any other means, are requested to follow the below mentioned procedure:

| | |
|------------------|--|
| Physical Holding | Send a request to the Registrar and Transfer Agents of the Company, Link Intime India Pvt. Ltd. at rnt.helpdesk@linkintime.co.in or at www.linkintime.co.in providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address. |
|------------------|--|

| | |
|---------------|--|
| | <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ul style="list-style-type: none"> a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder. |
| Demat Holding | Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP. |

17. In compliance with the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA, shareholders whose bank account details are not available with the Company, dividend warrants / cheques shall be dispatched to them by way of post, on normalization of postal services.

18. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited and applicable listing fees have been paid upto the date.

19. Pursuant to the provisions of section 123 of the Companies Act, 2013 and Section 205A of the Companies Act, 1956, 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 (IEPF or Fund) of the Central Government:

| Dividend | Date of declaration of Dividend | Due date for transfer to IEPF |
|-----------------|--|--------------------------------------|
| 2012-13 (Final) | 07.09.2013 | 07.11.2020 |
| 2013-14 (Final) | 23.08.2014 | 21.10.2021 |
| 2014-15 (Final) | 25.09.2015 | 23.11.2022 |
| 2015-16 (Final) | 24.09.2016 | 29.11.2023 |
| 2016-17 (Final) | 23.09.2017 | 25.11.2024 |
| 2017-18 (Final) | 28.09.2018 | 02.12.2025 |

| | | |
|-----------------|------------|------------|
| 2018-19 (Final) | 21.08.2019 | 23.10.2026 |
|-----------------|------------|------------|

Shareholders who have not encashed the dividend draft(s) are requested to return the unclaimed/unpaid dividend draft(s) for revalidation or write to the Company's Registrar & Share Transfer Agent at the above address to obtain duplicate dividend draft, immediately.

20. Members are requested to note that the dividend which remains Unclaimed / Unpaid for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 125 of the Companies Act, 2013 (Section 205A & 205 C of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund (IEPF).
21. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form shall submit their PAN details to Link Intime India Private Limited.
22. Voting through Electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, General Circular No. 20/2020 dated 5th May, 2020, given by MCA and Regulation 44 of the SEBI 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 Link Intime India Private Limited (hereinafter referred to as "LI IPL").

- 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 Saturday, 15th August, 2020 (9:00 am) and ends on Monday, 17th August, 2020 (5:00 pm). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 10th August, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be

disabled by LIPL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

Remote e-Voting instructions for shareholders are as follows:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL, e-voting platform or holding shares in physical mode, have to mandatorily generate their own Password, as under:

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

A. User ID: Enter your User ID

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Event No which is **200085** + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members 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/ members holding shares in **CDSL demat account shall provide either ‘C’ or ‘D’, above**
- Shareholders/ members holding shares in **NSDL demat account shall provide ‘D’, above**
- Shareholders/ members 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).
- ▶ Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.
4. After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon.
5. E-voting page will appear.
6. 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).
7. 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.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’. They are also required to upload a scanned certified true copy of the board resolution / authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

If you have forgotten the password:

Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’ Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on ‘**Submit**’.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.

- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- 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.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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”. Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account. In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions (‘FAQs’)** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

Process and Manner for attending the Annual General Meeting through InstaMeet:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the “Company” and ‘Event Date’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

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

Instructions for Shareholders/ Members to speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the Company through email on investors.relations@compuageindia.com.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

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

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

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

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. 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 and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/ Against” as desired. Enter the number of shares (which represents number of votes) as on the cut-off date under 'Favour/ Against'.
5. 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 Annual 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 Annual General Meeting will be eligible to attend/ participate in the Annual 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.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Guidelines to attend the AGM proceedings

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>, OR
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:
 1. Enter your First Name, Last Name and Email ID and click on Join Now
 2. If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
 3. If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or [Run a temporary application](#). Click on [Run a](#)

[temporary application](#), an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.

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 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- III. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.
- IV. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- V. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- VI. 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 enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.
- VII. 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.

- VIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting by way of e-voting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- IX. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company 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.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI LISTING REGULATIONS:

1. Details of Mr. Bhavesh H. Mehta with reference to Items No. 3 and 6 of the accompanying Notice of the AGM:

Pursuant to Section 152(6) of the Companies Act, 2013, Mr. Bhavesh H. Mehta (DIN: 00740861) is liable to retire by rotation at the ensuing Twenty First AGM and being eligible offers himself for re-appointment. Re-appointment at the AGM as a Director retiring by rotation would not constitute break in his appointment as Whole-Time Director.

Mr. Bhavesh H. Mehta, aged 47, is a Whole-Time Director at Compuage Infocom Limited (hereinafter referred to as "CIL"). He is a M. Com Graduate holding Master's degree in Commerce with a specialization in marketing with expertise in the areas of Operations and Supply Chain Management. He joined CIL in October 2000 and has experience of more than 23 years in the IT Distribution Business. He has been a part of the core team and key managerial person that has enabled CIL to expand over the years.

In his long career with CIL since joining in the year 2000, apart from being responsible for Operations & Supply Chain Management, he advises on Business and Sales Strategies which leads to the company's growth. He has taken many challenging roles and responsibilities for driving growth in the company which includes constant endeavor to improve the systems and process, enhancing productivity and bringing new relationships on the table for the Company. He holds 1,49,54,380 Equity Shares of the Company comprising to 23.02% of the paid up capital. He is one of the members of Corporate Social Responsibility Committee of

CIL. He is a brother of Mr. Atul H. Mehta, Chairman and Managing Director and of Mr. Ajay H. Mehta, Additional Director of the Company. Upon his re-appointment as a Director, Mr. Bhavesh H. Mehta shall continue to hold office as a Whole-Time Director. In view of the above, the Board recommends his re-appointment.

Companies (other than CIL) in which Mr. Bhavesh H. Mehta holds Directorship and Committee membership.

Directorship

He does not act as a Director on the Board of any other company.

Chairperson of Board Committees

None

Member of Board Committees

Corporate Social Responsibility Committee of CIL

Shareholding in the Company

As on 31st March, 2020, Mr. Bhavesh H. Mehta holds 1,49,54,380 Equity Shares of the Company.

In view of the above, the Board recommends his re-appointment.

2. Details of Mr. Atul H. Mehta with reference to Item No. 5 of the accompanying Notice of the AGM:

Pursuant to the ordinary resolution passed by the members of the Company at the Eighteenth Annual General Meeting of the Company held on 23rd September, 2017, the tenure of Mr. Atul H. Mehta (DIN: 00716869), as Managing Director of the Company, shall cease on 7th September, 2020. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors has thereby accorded for seeking approval of the members of the Company at the ensuing Twenty-First Annual General Meeting, to re-appoint Mr. Atul H. Mehta as Managing Director of the Company, for a further term of 5 years with effect from 8th September, 2020.

Mr. Atul H. Mehta, aged 60, is the Chairman and Managing Director at CIL. He holds vast industry experience and has overall knowledge in managing the Company strategically, handling operational responsibility for the entire portfolio of the Company's offerings. He promotes team management, encourages talent management and leadership development, builds client relationship management. His religious dedication of over 30 years has taken

this Company to new scales and his future outlook will help in shaping the Company's growth.

He is a Bachelor of Commerce Graduate from University of Mumbai, India and completed Masters in Business Administration with specialization in Finance from University of Portland, USA. He is not on the Board of any other listed entity. He holds 1,49,54,370 Equity Shares of the Company comprising to 23.02% of the paid up capital. He is one of the members of Stakeholders' Relationship Committee of CIL. He is a brother of Mr. Bhavesh H. Mehta, Whole-Time Director and of Mr. Ajay H. Mehta, Additional Director of the Company. Upon his re-appointment as a Managing Director, Mr. Atul H. Mehta shall continue to hold office as Chairman.

Companies (other than CIL) in which Mr. Atul H. Mehta holds Directorship and Committee membership.

Directorship

He acts as a Director on the Board of other below mentioned Company:

| Sr. No. | Names of the Companies | Nature of interest or concern |
|---------|--|-------------------------------|
| 1. | Akay Filtips Private Limited | Director |
| 2. | Compuage Infocom (S) Pte. Limited | Director |
| 3. | Inga Advisors Private Limited | Director |
| 4. | Technology Distribution Association of India (Sec 25 of the Companies Act, 1956) | Director |
| 5. | Inga Ventures Private Limited | Director |

Chairperson of Board Committees

None

Member of Board Committees

None

Shareholding in the Company

As on 31st March, 2020, Mr. Atul H. Mehta holds 1,49,54,370 Equity Shares of the Company.

In view of the above, the Board recommends his re-appointment.

3. Details of Mr. Ajay H. Mehta (DIN: 00686327) with reference to Item No. 7 of the accompanying Notice of the AGM:

Pursuant to recommendation of the Nomination and Remuneration Committee, the Board of Directors has thereby accorded for seeking approval of the members of the Company at the ensuing Twenty-First Annual General Meeting, to appoint Mr. Ajay H. Mehta (DIN: 00686327), as Director of the Company, liable to retire by rotation.

Mr. Ajay H. Mehta, aged 56 years, is a M. Com Graduate holding Master's degree in Commerce with expertise in the areas of Sales and Marketing having a vast experience of 30 years. He is not on the Board of any other listed entity. He holds 79,94,240 Equity Shares of the Company comprising to 12.30% of the paid up capital. He is a brother of Mr. Atul H. Mehta, Chairman and Managing Director and of Mr. Bhavesh H. Mehta, Whole-Time Director of the Company.

Companies (other than CIL) in which Mr. Ajay H. Mehta holds Directorship and Committee membership.

Directorship

He acts as a Director on the Board of other below mentioned Company:

| Sr. No. | Names of the Companies | Nature of interest or concern |
|----------------|--|--------------------------------------|
| 1. | Splendid Digital Solutions Limited | Director |
| 2. | Trillizo Holdings Limited | Director |
| 3. | Pristine Care Products Private Limited | Director |

Chairperson of Board Committees

None

Member of Board Committees

None

Shareholding in the Company

As on 31st March, 2020, Mr. Ajay H. Mehta holds 79,94,240 Equity Shares of the Company.

In view of the above, the Board recommends his re-appointment.

EXPLANATORY STATEMENT **(Pursuant to Section 102 of the Companies Act, 2013)**

Item No. 5:

The current tenure of Mr. Atul H. Mehta as Managing Director will cease on 7th September, 2020. The Board of Directors of the Company, at its meeting held on 18th July, 2020, has subject to the approval of Members, re-appointed Mr. Atul H. Mehta as Managing Director, for a period of 5 (five) years commencing from 8th September, 2020, to 7th September, 2025, as recommended by the Nomination and Remuneration Committee (NRC) of the Board at a salary which shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013.

The Company has received request from Mr. Atul H. Mehta proposing his candidature to act a Managing Director of the Company. He has consented in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and also intimated in Form DIR-8 that he is not disqualified to act as a Director under sub-section (2) of Section 164 of the Companies Act, 2013.

Broad particulars of the terms of re-appointment and salary payable to Mr. Atul H. Mehta are as under:

EMOLUMENTS

A. BASIC SALARY

The basic salary shall be Rs.1,20,00,000/- p.a. (Rupees One Crore Twenty Lakhs only).

B. PERQUISITES

In addition to the salary as stated above, Mr. Atul H. Mehta shall be entitled, as per the Rules of the Company, to perquisites like:

a. Provident Fund:

Contribution to the Provident Fund shall be as per the rules of the Company.

b. Gratuity:

Payable in accordance with the rules of the Company but at a rate not exceeding half month's basic salary for each completed year of service.

c. Leave Encashment:

Encashment of leave at the end of his tenure as per policy of the Company.

- d. House rent allowance, general allowance, club fees, group personal accident insurance, group mediclaim and group term insurance shall be as per Company's policy.
- e. Car(s) and telephone(s) will be provided at residence for official use. The Company shall bill personal long distance calls on telephone to the said Managing Director.

The aforesaid perquisites will be subject to tax as per prevailing Income Tax Rules. The basic salary stated above will be inclusive of the value of the perquisites stated at points 'd' and 'e', if provided.

The period of office of Mr. Atul H. Mehta shall be liable to determination by retirement of directors by rotation. If he is re-appointed as a Director, immediately on retirement by rotation he shall continue to hold office of Managing Director, designated and such re-appointment as Director shall not be deemed to constitute break in his appointment as a Managing Director. He shall be eligible to stock options, if any.

The Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and/or salary, subject to the same not exceeding the limits specified under Section 197 of the Act read with Schedule V of the Companies Act, 2013.

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

The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.

The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

A copy of the agreement regarding appointment of Managing Director is available for inspection by any member of the Company through request raised on investors.relations@compuageindia.com during 11:00 a.m. to 3:00 p.m. on all working days

except Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement and memorandum of concern or interest under Section 190 of the Companies Act, 2013.

Except Mr. Atul H. Mehta, Mr. Bhavesh H. Mehta and Mr. Ajay H. Mehta, none of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in this resolution.

Mr. Atul H. Mehta holds a Bachelor of Commerce degree from India, University of Mumbai and Masters in Business Administration with specialization in finance from University of Portland, USA. He possesses vast industry experience and has overall knowledge in managing the Company strategically, handling operational responsibility for the entire portfolio of the Company's offerings. Today, under his leadership CIL has established itself as a leading IT & Telecom Distribution Company in India.

Mr. Atul H. Mehta, has been receiving remuneration of Rs.1,68,00,000/- for past three years as approved by the members via Ordinary Resolution dated 23rd September, 2017. The Nomination and Remuneration Committee alongwith Board of Directors are of the view that the proposed salary is commensurate to his profile and portfolio, size of the Company, etc.

Mr. Atul H. Mehta plays pivotal role in taking the Company to new scales with each passing day. Hence, the Company is seeking shareholders' approval to pay minimum salary to him in the form of salary, perquisites and other benefits. The shareholders may also please note that the salary that has been approved by the Nomination and Remuneration Committee and the Board as minimum salary is in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, read with rules framed thereunder and Schedule V of the said Act for his ensuing tenure as Managing Director after taking into account the more than 30 years of experience and expertise of Mr. Atul H. Mehta and also the industry pay scale for similar sized companies.

Your Directors recommend the Ordinary Resolution at point no. 5 as set out in the accompanying Notice for the approval of the Members

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of SEBI Listing Regulations.

Item No. 6:

The current tenure of Mr. Bhavesh H. Mehta as Whole-Time Director will cease on 17th October, 2020. The Board of Directors of the Company, at its meeting held on 18th July, 2020, has, subject to the approval of Members, re-appointed Mr. Bhavesh H. Mehta as Whole-Time Director, for a period of 5 (five) years commencing from 18th October, 2020 to 17th October, 2025, as recommended by the Nomination and Remuneration Committee (NRC) of the Board at a salary which shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013.

The Company has received request from Mr. Bhavesh H. Mehta proposing his candidature to act a Whole-Time Director of the Company. He has consented in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and also intimated in Form DIR-8 that he is not disqualified to act as a Director under sub-section (2) of Section 164 of the Companies Act, 2013.

Broad particulars of the terms of re-appointment and salary payable to Mr. Bhavesh H. Mehta are as under:

EMOLUMENTS

A. BASIC SALARY

The basic salary shall be Rs.1,20,00,000/- p.a. (Rupees One Crore Twenty Lakhs only).

B. PERQUISITES

In addition to the salary as stated above, Mr. Bhavesh H. Mehta shall be entitled, as per rules of the Company, to perquisites like:

a. Provident Fund:

Contribution to the Provident Fund shall be as per the rules of the Company.

b. Gratuity:

Payable in accordance with the rules of the Company but at a rate not exceeding half month's basic salary for each completed year of service.

c. Leave Encashment:

Encashment of leave at the end of his tenure as per policy of the Company.

- f. House rent allowance, general allowance, club fees, group personal accident insurance, group mediclaim and group term insurance shall be as per Company's policy.
- g. Car(s) and telephone(s) will be provided at residence for official use. The Company shall bill personal long distance calls on telephone to the said Whole-Time Director.

The aforesaid perquisites will be subject to tax as per prevailing Income Tax Rules. The basic salary stated above will be inclusive of the value of the perquisites stated at points 'd' and 'e', if provided.

The period of office of Mr. Bhavesh H. Mehta shall be liable to determination by retirement of Directors by rotation. If he is re-appointed as a Director, immediately on retirement by rotation he shall continue to hold office of Whole-Time Director, designated and such re-appointment as Director shall not be deemed to constitute break in his appointment as a Whole-Time Director. He shall be eligible to stock options, if any.

The Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and/or salary, subject to the same not exceeding the limits specified under Section 197 of the Act read with Schedule V of the Companies Act, 2013.

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

The Whole-Time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

The Whole-Time Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

A copy of the agreement regarding appointment of Whole-Time Director is available for inspection by any Member of the Company through request raised on investors.relations@compuageindia.com during 11:00 a.m. to 3:00 p.m. on all working days except Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement and memorandum of concern or interest under Section 190 of the Companies Act, 2013.

Except Mr. Atul H. Mehta, Mr. Bhavesh H. Mehta and Mr. Ajay H. Mehta, none of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in this resolution.

Mr. Bhavesh H. Mehta is a B. Com Graduate holding Master's degree in Commerce with a specialization in marketing with expertise in the areas of Operations and Supply Chain Management. His experience of more than 23 years in the IT industry has led to growth of the business. He has taken many challenging roles and responsibilities for driving growth in the Company which includes constant endeavor to improve the systems and processes, enhancing productivity and bringing new relationships on the table for the Company.

Mr. Bhavesh H. Mehta, has been receiving remuneration of Rs.1,68,00,000/- for past three years as approved by the members via Ordinary Resolution dated 23rd September, 2017. The Nomination and Remuneration Committee alongwith Board of Directors is of the view that the proposed salary is commensurate to his profile and portfolio, size of the Company, etc. Considering his continued contribution and importance in the Company, shareholders' approval is sought to pay minimum salary to him in the form of salary, perquisites and other benefits. The shareholders may also please note that the salary that has been approved by the Nomination and Remuneration Committee and the Board as minimum salary is in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, read with rules framed thereunder and Schedule V of the said Act for his ensuing tenure as Whole-Time Director.

Your Directors recommend the Ordinary Resolution at point no. 6 as set out in the accompanying Notice for the approval of members.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of SEBI Listing Regulations.

Item No. 7:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on 18th July, 2020, approved the appointment of Mr. Ajay H. Mehta (DIN: 00686327) as an Additional Director of the Company, without any remuneration and his term expires at this Annual General Meeting. The Company has received a notice in writing, under the provisions of section 160 of the Companies Act, 2013, from a member

proposing his candidature for the office of Director, liable to retire by rotation. The Company has received the following documents from Mr. Ajay H. Mehta:

- Consent in writing to act as Director in Form DIR-2 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014.
- Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under section 164(2) of the Companies Act, 2013, and
- Notice of interest in companies in Form MBP-1 pursuant to section 184(1) read with rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014.

Mr. Ajay H. Mehta is a M. Com Graduate holding Master's degree in Commerce with expertise in the areas of Sales and Marketing having a vast experience of 30 years. He is not on the Board of any other listed entity. He holds 79,94,240 Equity Shares of the Company comprising to 12.30% of the paid up capital. He is a brother of Mr. Atul H. Mehta, Chairman and Managing Director and of Mr. Bhavesh H. Mehta, Whole-Time Director of the Company.

Except Mr. Atul H. Mehta, Mr. Bhavesh H. Mehta and Mr. Ajay H. Mehta, none of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in this resolution.

Your Directors recommend the Ordinary Resolution at point no. 7 as set out in the accompanying Notice for the approval of the Members

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

By order of the Board
For **Compuage Infocom Limited**,

Place: Mumbai
Date: 18th July, 2020

Sd/-
Atul H. Mehta
Chairman and Managing Director



For more details contact:

COMPUAGE INFOCOM LIMITED

CIN: L99999MH1999PLC135914

Regd. Office: D-601/602 & G-601/602, Lotus Corporate Park,
Graham Firth Steel Compound, Western Express Highway,
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