



ACI Infocom Limited

29th Annual Report
2010 - 2011

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER:

ALOK P. GUPTA

DIRECTORS

**DINESH KUMAR DEORA
OM PRAKASH BOHARA
KALPESH BHANDARI
RAJESH BABULAL SHAH**

AUDITORS

**M/s. M.V. KRISHNAMOORTHY & CO.
Chartered Accountants**

BANKERS

ORIENTAL BANK OF COMMERCE

REGISTERED OFFICE

**203, SHAH & NAHAR INDL. ESTATE,
DR. E. MOSES ROAD,
WORLI NAKA, MUMBAI-400018**

Tele: 022-66501904

Website: www.aciinfo.com

**DEPOSITORY REGISTRARS &
SHARE TRANSFER AGENTS**

**M/s. SYSTEM SUPPORT SERVICES,
209, SHIVAJI INDUSTRIAL ESTATE,
89, ANDHERI KURLA ROAD,
SAKINAKA, ANDHERI (EAST),
MUMBAI-400072.**

Tele: 022-28500835

Fax No: 022-28501438

Email: syss72@yahoo.com

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of ACI INFOCOM LIMITED will be held on Friday, 23rd September, 2011 at the registered office of the company situated at 203, Shah & Nahar Estate, Dr.E.Moses Road, Worli Naka, Mumbai 400 018 at 10.30 a. m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Audited Profit and Loss Account for the year ended 31st March, 2011 alongwith the Notes and Schedules appended thereto with the Report of the Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Mr. Om Prakash Bohra who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Anand Jain & Associates, Chartered Accountants in place of retiring Auditors M/s M. V. Kirshnamoorthy, Chartered Accountants as Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Dinesh Kumar Deora, who was appointed as an Additional Director of the Company on 2nd November, 2010 under Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

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

"RESOLVED THAT Mr. Kaipesh Bhandari, who was appointed as an Additional Director of the Company on 2nd November, 2010 under Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is

hereby appointed as Director of the Company liable to retire by rotation".

6. To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Rajesh Shah, who was appointed as an Additional Director of the Company on 30th April, 2011 under Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

By order of the Board of Directors,
For ACI INFOCOM LIMITED

Registered Office :
203, Shah & Nahar Estate,
Dr. E.Moses Road,
Worli Naka,
Mumbai 400 018

Alok P. Gupta
Chairman & Managing Director

Place : Mumbai,
Date : 24th August, 2011.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for Item No. 4 to 6 is attached and forms part of this notice.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, 16th September, 2011 to Friday, 23rd September, 2011 (both days inclusive).
5. The members are requested to intimate immediately changes, if any, in their Registered address to the Registrar and Share Transfer Agents of the Company in respect of the shares held in physical form and to the Depository Participant in respect of shares held in dematerialized form without any delay.



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

That following explanatory statement sets out the material facts referring to Item No. 4 to 6 of the Notice.

ITEM NO. 4 to 6

Mr. Dinesh Kumar Deora and Mr. Kalpesh Bhandari were appointed as Additional Directors of the Company w. e. f. 2nd November, 2010 and Mr. Rajesh Shah was appointed on 30th April, 2011 pursuant to Section 260 of the Companies Act, 1956. As per the term of appointment, their term as Directors expires at the forthcoming Annual General Meeting. The Company in turn has received notice from members along with a deposit of Rs. 500/- in cash pursuant to Section 257 of the Companies Act, 1956 signifying their intention to appoint them as Directors of the Company liable to retire by rotation. The Directors recommend these appointments in the best interests of the Company.

None of the Directors of the Company except Mr. Dinesh Kumar Deora, Mr. Kalpesh Bhandari and Mr. Rajesh Shah may be considered to be interested in the passing of this resolution.

**By order of the Board of Directors,
For ACI INFOCOM LIMITED**

Registered Office :
203, Shah & Nahar Estate,
Dr. E. Moses Road,
Worli Naka,
Mumbai 400 018

Place : Mumbai,
Date : 24th August, 2011.

Alok P. Gupta
Chairman & Managing Director

DIRECTORS' REPORT

To
The Members,

The Board of Directors are pleased to present herewith the Twenty ninth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

(Rs. in Lacs.)

Particulars	For the Year	
	2010-11	2009-10
Sales	13,70,23,278	24,47,51,533
Other Income	2,48,74,917	38,33,002
Total Income	16,18,98,195	24,85,84,535
Expenditure before		
Depreciation, Interest & tax	15,20,00,074	23,11,57,761
Depreciation	43,76,902	44,07,556
Interest	26,63,952	43,52,550
Profit/(Loss) before Taxation	26,57,468	26,55,008
Less : Goodwill Written off	2,02,259	86,66,668
Profit before Tax	26,55,013	60,11,655
Deferred Tax Asset	-	16,35,754
Provision for Taxation	37,499	-
Prior period Adjustment	-	1,19,089
Deficit as per last year	(4,33,65,095)	(5,08,93,416)
Profit/(Loss) After Taxation	1,64,760	75,28,321
Balance carried to		
Balance sheet	(4,33,200,335)	(4,33,65,095)

DIVIDEND

Your Directors do not recommend any dividend for the year as they wish to reinvest surplus funds into the business for further growth.

DIRECTORS

Mr. Om Prakash Bohra who retire by rotation and being eligible offers himself for re-appointment.

During the year under review, Mr. Damodar Vyas and Mr. Ninad Palav has resigned as Directors of the Company with effect from 30th December, 2010.

Mr. Anand Kumar Jain was appointed as Director with effect from 2nd November, 2010 and resigned as Director of the Company with effect from 30th April, 2011.

Mr. Dinesh Kumar Deora and Mr. Kalpesh Bhandari are appointed as Additional Directors of the Company w. e. f. 2nd November, 2010 and Mr. Rajesh Shah was appointed on 30th April, 2011 pursuant to Section 260 of the Companies Act, 1956. As per the term of appointment, their term as Directors expires at the forthcoming Annual General Meeting. The Company in turn has received notices from members proposing the candidature of these Directors under Section 257 of the Companies Act, 1956 along with the requisite fees. The Board recommends the appointment.

DIRECTORS RESPONSIBILITY STATEMENT.

Pursuant to the requirement Under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors Responsibilities Statement, it is hereby confirmed;

- i) That in the preparation of the Annual Accounts for the financial year 31st March, 2011, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of 31st March, 2011 and of the profit of the Company for the year ended 31st March, 2011.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the Accounts for the financial year ended 31st March, 2011 on a going concern basis.



AUDITORS

M/s M. V. Kirshnamoorthy, Chartered Accountants, the retiring auditors has shown their unwillingness to be re-appointed as Auditors of the Company. The Company in turn has received the consent from M/s Anand Jain & Associates, Chartered Accountants to act as Auditors of the Company.

The Company has also received a certificate from M/s Anand Jain & Associates, Chartered Accountants to the effect that their appointment, if made would be within the prescribed limits specified under Section 224(1B) of the Companies Act, 1956.

You are requested to appoint and fix remuneration of M/s Anand Jain & Associates, Chartered Accountants as Auditors for the year 2011-12.

DEPOSITS

The Company has not accepted any Deposits from the public during the year under pursuant to Section 58A of the Companies Act, 1956.

PERSONNEL

The Company is not having any employees who are drawing remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, a report on Corporate Governance, which inter alia, includes the composition and construction of Audit Committee, is featuring as a part of Annual Report. Your Company will continue to adhere in letter and spirit to the good corporate governance policies. Pursuant to the provisions of Clause 49(VII) (1) of the Listing Agreement, a certificate from the auditors of the Company on the compliance of the Clause is enclosed.

CEO'S DECLARATION

Pursuant to the provisions of Clause 49(I) (D)(ii) of the Listing Agreement, a declaration by the Chairman and Managing Director of the Company declaring that all the members of the Board and the Senior Personnel of the Company have affirmed compliance with the Code of Conduct of the Company is enclosed.

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

The Company has made Slum Sale of its IT and Telecom business divisions. The low profitability of these divisions due to diminishing turnover and increasing overheads led to the managerial decision of exiting these businesses. On account of the Slum sale, the Company has disposed off a substantial part of Fixed Asset during the year.

Reality Development is the new business taken up the Company. The Company will continue with its Trading Business as earlier.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company places considerable emphasis on internal control systems and is appointing a separate Internal Auditor.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, your Company has made a Turnover of Rs. 1370.23 Lacs as against Rs.2447.52 Lacs and earned a profit before tax of Rs. 2.02 Lacs as against the profit of Rs. 60.12 Lacs in the previous year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company employs personnel from all walks of life having the requisite qualifications as demanded by the job profile. It has a well designed training programme, to retain and train the personnel with respect to the culture of the Company and to keep them abreast with the latest developments in the changing technological environment.

CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

- A. Conservation of energy: The Company uses electric energy for its equipment such as air conditioners, computer terminals, lighting and utilities in the work premises. All possible measures have been taken to conserve energy.
- B. Technology Absorption: During the year your Company has not operated plants, therefore no technology absorption and research & development.
- C. Foreign Exchange Earnings & Outgo

(Rs. in Lacs)

	2010-11	2009-10
A) Earnings on Re-exports	NIL	NIL
B) Outgo		
Travelling	6.21	8.04
Royalty on Software Products	NIL	NIL
CIF Value of goods imported	NIL	NIL
Sales Promotion	NIL	NIL

ACKNOWLEDGEMENTS

Your Directors place on record their grateful appreciation for the continued assistance and co-operation extended by the shareholders, customers, bankers and the dedicated employees and the business associates.

For and on behalf of the Board of Directors

(Alok P. Gupta)
Chairman

Place : Mumbai,
Date : 4th June, 2011.

CORPORATE GOVERNANCE REPORT

As per Schedule of Implementation of Clause 49 of the Listing Agreement with the Stock Exchange, the said Clause 49 is applicable to your company from the Financial Year ending as on 31st March, 2009. As per the Clause 49 of Listing Agreement with Stock Exchange, Incorporate certain mandatory disclosure requirements with regard to Corporate Governance. In pursuance of the requirements of Corporate Governance, the Board of Directors report the following:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facets of its operations and all dealings which is shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering itself by trustee of its Shareholders aims at maximizing shareholders value and protecting the interest of other stakeholders

BOARD OF DIRECTORS;

The Company has Executive Chairman. The strength of the Board of Directors is 4 Directors including 3 Non-executive Independent Directors.

a) Composition & Category of Directors as on 31st March, 2011

Sr.No		Name of the Director	Category
1		Mr. Alok P. Gupta	Executive Promoter Director
2	*	Mr.Damodar Poonamchand Vyas	Whole Time Director
3	*	Mr. Ninad K. Palav	Whole-Time Director
4		Mr. Om Prakash Bohra	Independent Director
5	***	Mr. Dinesh Kumar Deora	Additional Director
6	***	Mr. Kalpesh Bhandari	Additional Director
7	****	Mr. Rajesh Shah	Additional Director
8	**	Mr. Anand Kumar Jain	Additional Director

* Resigned as Director of the Company with effect from 30th December, 2010

** Resigned as Director of the Company with effect from 30th April, 2011

*** Appointed as Additional Directors with effect from 2nd November, 2010.

**** Appointed as Additional Director with effect from 30th April, 2011.

b) Attendance of each director at the Board Meetings held during the year 2010-11 and at the Last Annual General Meeting.

NAME OF THE DIRECTOR	BOARD MEETINGS HELD	MEETINGS ATTENDED	AGM ATTENDED
ALOK GUPTA	9	9	YES
DAMODAR VYAS	6	6	YES
NINAD PALAV	6	6	YES
OM PRAKASH BOHRA	9	9	YES
DINESH KUMAR DEORA	3	3	NO
KALPESH BHANDARI	3	3	NO
ANAND KUMAR JAIN	3	3	NO

AUDIT COMMITTEE

The Audit Committee was constituted in terms of Section 292A of the Companies Act, 1956 and the provisions of Clause 49 of the Listing Agreement.

a) Brief Description of Terms of reference:

The terms of reference of Audit Committee are in conformity with the provisions of Sub Clause II of the Listing Agreement, which inter alia, includes the following:

- Oversight of Company's financial reporting process.
- Recommending appointment and removal of external auditors and fixing their fees.
- Reviewing with the management the quarterly, half-yearly and annual financial results/statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the Audit and Compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- Reviewing the adequacy of internal control systems and significant audit findings.
- Discussion with external auditors regarding the nature and scope of audit.

b) Composition, Name of Members and Chairperson

- 1) Mr. Damodar Poonamchand Vyas, - Chairman
- 2) Mr. Ninad K. Palav, - Member

There was reconstitution of Audit Committee during the year, as Mr. Damodar Vyas and Mr. Ninad Palav resigned from the Directors with effect from 30th December, 2010 and in their place Mr. Dinesh Deora and Mr. Kalpesh Bhandari were appointed as Members. Mr. Dinesh Kumar Deora was appointed as the Chairman of the Committee.

c) Meetings of Audit Committee held during the year 2010-11 and attendance of members

Name of The Member	Meetings of Audit Committee Held	Meetings Attended
Damodar Poonamchand Vyas	4	3
Ninad Palav	4	3
Dinesh Deora	1	1
Kalpesh Bhandari	1	1

- d) The Chairman of the Audit Committee attended the Last AGM and answered the queries raised by the Shareholders.

REMUNERATION COMMITTEE

a) Brief Description of terms of reference:

This Committee was constituted primarily to evaluate compensation and benefits for Executive Directors.

b) Composition, name of members and Chairperson:

- 1) Mr. Alok P. Gupta, - Chairman
- 2) Mr. Om Prakash Bohra, - Member

c) Meetings and attendance during the year 2010-2011.

The meeting of the Committee was held for two times and was attended by both the members.

d) Remuneration Policy

The remuneration policy of the Company is rewards for results and recognition for efforts.

e) Detail of Remuneration of the Director.

Particulars	Mr. Alok Gupta
Salary	Rs.12,00,000/-
Perquisites	NIL
Provident Fund	NIL
Total	Rs.12,00,000/-

The non-executive directors are not eligible for Commission and they have been paid sitting fees only.

SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

a) Terms of reference:

The Committee was constituted to specifically look into the redressing of shareholders and investor complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc.

b) Composition, name of members and Chairperson:

- 1) Mr. Alok P. Gupta, - Chairman
- 2) Mr. Om Prakash Bohra, - Member