

**NOTICE**

**NOTICE** is hereby given that 20<sup>th</sup> Annual General Meeting of **INDO-CITY INFOTECH LTD.** will be held on Friday, 28<sup>th</sup> September, 2012 at 10.00 A.M. at the Registered Office of the Company at A6, Mittal Estate, Bldg. No. 2, Andheri-Kurla Road, Andheri (E), Mumbai-400059, for transacting the following business :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the financial year ended on that date and the Auditors and Directors Reports thereon.
2. To appoint a director in place of Mr. Brij Kishor Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and for this purpose to consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution :

**"RESOLVED THAT** pursuant to section 224 of the Companies Act, 1956 M/s S.K Patodia & Associates, Chartered Accountants, Mumbai having registration number as 112723W be and are hereby re-appointed as Auditors of the Company to hold office till conclusion of the next Annual General meeting at the remuneration to be decided by the Board of Directors in consultation with them."

**SPECIAL BUSINESS:**

**4. Appointment of Mr. Ashwani Maheshwari as a Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Ashwani Maheshwari, who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 ("the Act") and who holds Office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**5. Re-Appointment Of Managing Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:

**"RESOLVED THAT**, pursuant to the requirements of Schedule XIII read with Section 269 of the Companies Act, 1956 having complied with, the consent of the Board of Directors be and is hereby accorded to the Company to re-appoint Mr. Aneel Jain as the Chairman & Managing Director of the Company for a period of five years commencing from 7th January, 2012 on the terms and conditions as approved by the Board ( As per Annexure A ) attached herewith and the approval by members shall be accorded in the ensuing Annual General Meeting .

**RESOLVED FURTHER THAT**, the duties of the Chairman & Managing Director shall be the overall supervision of the functioning of the Company, handling day to day affairs of the Company, appointment and termination of services of employees, operating bank accounts, signing cheques, promissory notes, bills of exchange, regularly reporting to the Board on activities of the Company and to perform all other duties that the Board may delegate to the Managing Director from time to time.

**FURTHER RESOLVED THAT**, Mr. Aneel Jain of the Company, be and is hereby authorised to do all such acts, deeds, and things and execute all documents, forms, papers and other documents with all the statutory authorities which is necessary to implement and fully execute the intends and purpose of this resolution here in contained on behalf of the Company."

**By Order of the Board  
For Indo-City Infotech Limited**

Place: Mumbai  
Dated: 28<sup>th</sup> August, 2012

**(Aneel Jain)  
Chairman & Managing Director**

**Registered Office:**

A6, Bldg. No. 2, Mittal Estate, Andheri-Kurla Road,  
Andheri (E), Mumbai-400 059.

### NOTES: -

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy form should, however be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. Members are requested to notify immediately any change in their address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the company or to its Share Transfer Agents M/s Shares Services in respect of their holdings in physical form.
3. The register of members and the share transfer book will remain closed from 24/09/2012 to 28/09/2012 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.
4. Members intending to require information about accounts to be explained in the meeting are requested to inform the company in writing at least seven days in advance of the Annual General Meeting.
5. Shareholders are requested to please bring their Copies of Annual Report in the Meeting.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### Item No. 4

Mr. Ashwani Maheshwari was appointed as an Additional Director, qualifying as an Independent Director, with effect from January 12, 2012. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Ashwani Maheshwari holds office upto the date of the ensuing Annual General Meeting of the Company.

Mr. Maheshwari is a Post Graduate in Commerce. He has total experience of 6 years and has wide knowledge in various sectors including Financial Sector.

The Board accordingly recommends the resolution as set out in Item No. 4 of the Notice for your approval

None of the Directors of the Company, except Mr. Maheshwari, is interested or concerned in the resolution.

#### Item No. 5

Mr. Aneel Jain, has been re-appointed as the Managing Director of the Company for a period of 5 years w.e.f January 7, 2012 upto January 7<sup>th</sup>, 2017, at a monthly remuneration of Rs. 75000/- or as per the decision of the Board of Directors plus 1% commission on net profit in case of Company having adequate profit during the said period.

The Board accordingly recommends the resolution as set out in Item No. 5 of the Notice for your approval.

None of the Directors of the Company, is interested or concerned in the resolution.

## **DIRECTOR'S REPORT**

**To,**  
**The Members of Indo-City Infotech Limited,**

Your Directors have pleasure in presenting the **Twentieth Annual Report** and Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012

### **I. FINANCIAL RESULTS:**

Financial results of the company during the year vis-avis previous year are as follows :-

	<b>2011-12</b>	<b>2010-11</b>
		( Rupees)
<b>PROFIT BEFORE TAX</b>	<b>10,46,369</b>	9,09,094
Less: Provision for Tax	(3,10,272)	(40,263)
Total	7,36,097	8,68,831
Add.: Amount Brought Forward	68,47,307	59,78,477
Balance Carried to Balance Sheet	75,83,404	68, 47,307

### **II. DIVIDEND:**

To conserve the resources, your directors express their inability to recommend any dividend for the year under review.

### **III. PERFORMANCE:**

Total income of the company during the year under review is Rs. 69.41 Lacs as against Rs. 68.61 Lacs for the previous year and the profit after tax for the year stood at Rs. 7.36 Lacs as against Rs. 8.69 Lacs for the previous year.

### **IV. FUTURE OUTLOOK:**

Your Company is planning for expanding their existing business as well as other projects also the work on which is going on. Your directors foresee bright future and higher earnings in the coming years.

### **V. DIRECTORS:**

During the year under review Mr. Ashwani Maheshwari was appointed as an Additional Independent Director on the Board of the Company with effect from January 12, 2012. As per the provisions of Sec. 260 of the Companies Act, the Director holds office only upto the date of the ensuing Annual General Meeting of the Company and is eligible for appointment of Director.

Mr. Aniruddha Goyal , Non Executive Independent Director has resigned from the Board of the Company with effect from January 12, 2012.

Mr. Brij Kishor Gupta , Director who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### **VI. CORPORATE GOVERNANCE:**

Your company has been proactive in following the principle and practice of good corporate governance. The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges are complied with.

A separate statement on corporate governance is annexed as a part of the Annual Report along with the Auditors certificate on its compliance. A report in the form of Management Discussion and Analysis pursuant to clause 49 of the Listing Agreement, as a part of this report is annexed hereto.

**VII. AUDITORS :**

**M/s . S.K PATODIA & ASSOCIATES**, Chartered Accountants, retire at the forthcoming Annual General Meeting. The Company has received the certificate of their eligibility under section 224 (1-B) of the Companies Act, 1956. Your director recommend their appointment.

**VIII. AUDITORS REPORT.**

Observation made in the Auditor's Report are self-explanatory and therefore do not call for any further comment under section 217(3) of the Companies Act, 1956.

**IX. FIXED DEPOSIT:**

Your Company has not accepted any fixed deposit from public within the meaning of section 58A of the Companies Act, 1956 and the Rules made there under

**X. PARTICULARS OF EMPLOYEES:**

The information required U/s. 217 (2A) of the Companies Act, 1956 with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, as the Company has not employed any employee whose salary exceeds Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month.

**XI. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO:**

The Provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to conservation of energy or technology absorption is not applicable to the Company. The Company did not earn and spend any foreign exchange.

**XII. DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under section 217 (2AA) of the Companies Act, 1956, it is hereby stated that;

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Directors had prepared the annual accounts on a going concern basis.

**XIII. ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation and acknowledgement with gratitude for the support and assistance extended to the Company by the Bankers, Shareholders and Customers. Your Directors place on record their deep sense of appreciation for the devoted service of the executive and staff at all levels of the Company.

**For and on behalf of the Board**

**Aneel Jain**  
**Chairman & Managing Director**

**Place : Mumbai.**  
**Date : 30<sup>th</sup> May, 2012**

**MANAGEMENT DISCUSSION AND ANALYSIS:****1. Industry Structure and Developments**

The Company was incorporated on 22/09/1992. In 1999 the Company changed its name and thereafter started its business in IT. The Company had a humble beginning and is restructuring itself year by year to make a name in the IT industry. With its dedicated team of professionals the company is planning to grow strength by strength. Due to the recent setback in USA and global recession in IT industry, the activities of the company were slightly affected. However in this scenario company has still maintained its profitability.

However, after launch of the new project on hand on which the work is in progress the company will have its name reckoned with the industry.

**2. Opportunities, threats risk and concerns**

The Company is progressively in contact with end users of its products the work on which is continue and with the launch of these products, the Company expects more cliental base in its activities.

The low economic growth worldwide may affect the activities of the company. However, with continuous technological advancement and measures taken for cost effectiveness for the company's product, the Company is expected to face the emerging challenges in a confident and optimistic manner.

**3. Segment-wise or product-wise performance.**

The Company recognizes Hardware / software as its only primary segment. The overall performance of the company is the segment wise performance of the company.

**4. Business Outlook.**

As a forward looking statement it can be noted that the company appears to heading better all round performance during the coming years. Towards this, the company is working on various software packages.

**5. Internal Control System and their adequacy.**

The Company has adequate internal control procedures commensurate with the size and nature of its business. The internal control system provides for policies, guidelines, authorization and procedures. The Audit Committee of the Board of Directors headed by an independent director periodically reviews the internal audit reports, significant risk area assessment and adequacy of internal controls for ensuring Checks and balances.

**6. Discussion on Financial Performance:**

The financial results and performance for the year are elaborated in the Director's Report.

**7. Human resources:**

Harmonious relations continued to prevail throughout the year. The focus is on maintaining a high level of motivation and on leadership development and the number of employees are maintained according to business development.

**8. Cautionary Statement:**

This report contains estimates and expectations, which the company believes or may be considered to be Forward Looking Statements within the meaning of applicable laws and regulations. Actual results could differ or vary materially from those expressed or implied due to various factors.

**For and on behalf of the Board**

**Aneel Jain**  
**Chairman & Managing Director**

**Place : Mumbai.**

**Date : 30<sup>th</sup> May,2012**

## Report on Corporate Governance

### 1) Company's Philosophy:

Your Company is committed to the principles of good business practices, transparency in its dealing, compliance of law, adherence to ethical standards and to have a better rapport with the clients and shareholders. The Company provides the customers various with dynamic productivity and with total satisfaction. The Company's core vision is to place belief in clients, customers, investors and associates.

The Company is prompt in discharging its statutory obligations and duties. The Board has adequate representation of professional, qualified, Non – executive and Independent directors.

### 2) Board of Directors:

#### Composition :-

The Board of Directors comprised of four (4) directors with an Executive Chairman. The number of Independent Non-Executive Director is more than 50 % of total number of Directors. The Composition of the Board is in conformity with the requirement of Clause 49 of the Listing Agreement with Stock Exchanges. The Composition of Board with reference to number of Executive, Non-executive and Independent Directors, meets the requirement of code of Corporate Governance.

Composition and Category of Directors:

Name	Category	Relationship with each other	No. of Board Meeting Attended	Attendance At last AGM	No. of Directorship and Committee Membership Chairmanship in other Public Companies
Sh. Aneel Banwari Jain	Chairman & Managing Director	Husband of Mrs. Shashi Jain	7	Yes	4 - -
Smt. Shashi Jain	Non Executive Director	Wife of Mr. Aneel Jain	7	Yes	4 3 2
Sh. Anirudh Goyal	Non Executive Independent Director	****	5	Yes	1 3 1
Sh. Brij Kishor Gupta	Non Executive Independent Director	****	7	Yes	5 3 1
Sh. Ashwani Maheshwari	Non Executive Independent Director	****	3	No	0 0 0

\*\*\* There is no relationship between any of the Independent Directors

During the financial year 2011-2012, the Company has held 8 Meeting as against the minimum requirements of 4 meeting. The meetings are held on 30/05/2011, 18/07/2011, 29/07/2011, 28/10/2011, 07/01/2012, 12/01/2012, 30/01/2012 & 30/03/2012.

### 3) Audit Committee:

During the financial year 2011-12, the company held 4 meetings of the audit committee. The composition of committee and attendance are as under:-

Name	Category	No. of Meeting Attended
Smt. Shashi Jain	Non-Executive Director	4
Sh. Anirudh Goyal	Non Executive Independent Director	3
Sh. Brij Kishor Gupta	Non Executive Independent Director	4
Sh. Ashwani Maheshwari	Non Executive Independent Director	1

#### The following were the major tasks assigned to the Audit Committee:

- I Review of Company's financial reporting process and financial statements i.e. quarterly and annual financial statements and ensure their compliance with the requirements of various authorities, before they are adopted by the Board.
- II. Review of Accounting and financial policies and practices.
- III. Review of internal control and internal audit system.
- IV. Recommendation to the Board of Directors the selection of Auditors, considering their independence and effectiveness, and approval of their fees for audit and for non-audit services.
- V. Discussion with Auditors on any significant findings and follow up thereon.
- VI Considering and approving the present accounting principles and policies being followed by the Company, suggested changes in the same, if so required, and assessing whether the changes accepted by the management have been implemented.

The terms of reference stipulated by the Board to the Audit Committee are, as contained under Clause 49 of the Listing Agreement, as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on i) any changes in accounting policies and practices, ii) major accounting entries based on exercise of judgment by management, iii) qualifications in draft audit report, iv) significant adjustments arising out of audit, v) the going concern assumption, vi) compliance with accounting standards, vii) compliance with Stock Exchange and legal requirements concerning financial statements and viii) any related party transaction i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal auditors 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 external auditors before the audit commences nature and scope of audit as well as had post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the creditors.

#### 4) **Remuneration Committee:**

Composition of Remuneration Committee and Attendance:

Name	Category	No. of Meeting Attended
Smt. Shashi Jain	Non-Executive Director	2
Sh. Anirudh Goyal	Non Executive Independent Director	1
Sh. Brij Kishor Gupta	Non Executive Independent Director	2
Sh. Ashwani Maheshwari	Non Executive Independent Director	1

The remunerations paid to the Executive Directors is in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

Non-Executive Director: Non-Executive Directors have not been paid any sitting fees for attending Board and Committee meetings.

#### 5) **Shareholders / Investors Grievance Committee:-**

- The Company has constituted the Shareholders / Investors Grievance Committee comprising of Mrs. Shashi Jain , Mr. Anirudh Goyal upto 11/01/2012, Mr. Ashwani Maheshwari from 12/01/2012 onwards and Mr. Birj Kishor Gupta.
- The Committee is headed by Mr. Anirudh Goyal upto 11/01/2012, and Mr. Ashwani Maheshwari from 12/01/2012 onwards . The committee oversees the performance of the Registrars and Transfer Agents and recommends measures to improve the level of investor services.
- The Company has authorized Mrs. Shashi Jain and Mr. Anirudh Goyal upto 11/01/2012, Mr. Ashwani Maheshwari from 12/01/2012 jointly& severally, to approve the share transfers.
- The Board had designated Mr. Somnath Masgi , as compliance officer then and Miss Surbhi Singhvi as Company Secretary cum Compliance Officer during the year.

a) The function of the committee includes:

To specifically look into redressing investors' grievances pertaining to:

- 1) Transfer of Shares;
- 2) Dividends, if any applicable;
- 3) Dematerialization of Shares;
- 4) Replacement of lost/stolen/mutilated share certificates;
- 5) Non-receipt of right/bonus/split share certificates;
- 6) Any other related issues;

There are no valid requests pending for share transfers / dematerialization of shares as on the date of Director's Report.

**6) Date, Venue and Time for the last three Annual General Meetings :-**

Date	Venue	Time	No. of Special Resolutions
30 <sup>th</sup> September, 2009	Registered Office	11.00 A.M.	—
29 <sup>th</sup> September, 2010	Registered Office	11.00 A.M.	—
30 <sup>th</sup> September, 2011	Registered Office	10.00 A.M.	—

**7) Disclosures:**

There were no materially significant related party transactions i.e., transactions, material in nature, with its promoters, the directors or the management or relatives etc. that may potentially conflict with the interest of the Company at large. There was no instances of non – compliance or penalty, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

**8) Means of Communication:**

Half yearly results are not sent to shareholders since it is not mandatory. The Company has a system of sending Annual Report only once in a year.

The Quarterly results of the Company are sent to Stock Exchanges in their format as per requirement of Listing Agreement format and hence the quarterly financial results of the Company are available on the BSE's website. The company has its own website www.indo-city.com.

No presentation was made to the Institutional Investors or to the Analysts during the Financial Year 2011-2012. Management Discussion and Analysis Report forms a part of this Annual report.

**9) General Shareholders Information:**
**9.1 Annual General Meeting**

Date & Time : 28<sup>th</sup> Sept., 2012 at 10.00 A.M.

Venue : **Registered Office**

9.2 Financial Calendar : 1<sup>st</sup> April to 31<sup>st</sup> March

9.3 Date of Book Closure : 24.09.2012 to 28.09.2012 (both days inclusive)

9.4 Dividend Payment Date : No dividend has been recommended by the Board for the financial year 2011-2012.

9.5 Listing of Equity Shares : Bombay Stock Exchange Ltd.

BSE Code : **532100**

Market Price Data : High, Low during each month in last Financial Year,

Month	High (Rs.)	Low (Rs.)
April, 2011	7.18	3.74
May, 2011	7.75	5.21
June, 2011	7.30	5.00
July, 2011	8.73	5.06
August, 2011	7.94	5.30
September, 2011	6.24	4.66
October, 2011	5.79	4.21
November, 2011	6.49	4.00
December, 2011	5.89	3.81
January, 2012	6.65	4.01
February, 2012	6.50	4.51
March, 2012	5.39	4.00

9.7 Performance in comparison to Broad based indices such as BSE, Sensex, CRISIL Index etc. : Not linked to any Sensex / Index.

9.8 Registrar and Transfer Agents : **SHAREPRO SERVICES**  
Satam Estate, 3<sup>rd</sup> Floor, Chakala,  
Andheri (East), Mumbai – 400 099 INDIA