

## NOTICE

**Notice** is hereby given that the 16<sup>th</sup> Annual General Meeting of the **XO INFOTECH LIMITED** will be held on Wednesday 29<sup>th</sup> September 2010 at 11.00 A.M. at the registered office of the Company at 945, Lathmaran Street, Devi Bhawan Bazar, Jagadhri, Gurgaon, Haryana – 135 009 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the period ended on that and the Reports of Directors and the Auditors.
2. To appoint a Director in place of Mr. Shankar Bhagat, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Arvind A. Thakkar, Chartered Accountants, Ahmedabad, retiring auditor, as auditors of the Company to hold office until the conclusion of next Annual General Meeting and fix their remuneration by passing following resolution :

For and on behalf of Board of Directors

Place : Gurgaon

Date: 04.09.2010

SD/-

Shri Mahendra Ganatra  
Managing Director

**Notes:**

- 1 Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business is annexed herewith.
- 2 A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and on a poll, to vote instead of himself. A proxy need not be member of the company. A proxy may be sent in the Form enclosed and in order to be effective must reach the Registered Office of the company at least 48 hours before the commencement of the meeting.
- 3 Members/ proxies should bring attendance slip, duly filled in, for attending the meeting.
- 4 Members / proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting. As Copies of Annual Report will not be distributed at the Annual General Meeting.
- 5 The Register of Members and Share Transfer Books of the Company was closed from 22<sup>nd</sup> September, 2010 to 29<sup>th</sup> September, 2010 (both days inclusive).
- 6 Members desirous of obtaining any information concerning the accounts and operations of the company are requested to address their questions to the company so as to reach at least 7 days before the date of the meeting, so that the information required will be made available at the meeting, to the best extent possible.

**For and on behalf of Board of Directors**

**Place: Gurgaon  
Date:04.09.2010**

**SD/-  
Mahendra Ganatra  
Managing Director**

## DIRECTOR'S REPORT

To,  
The Members,  
XO INFOTECH LIMITED

Your Directors have pleasure in presenting the Sixteen Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS:

(Amt. In Rs.)		
PARTICULARS	2009-2010	2008-2009
Profit/(Loss) Before Tax	1857608	742127
Less: Provision for Income Tax	304360	11000
Deferred Tax	0	0
Fringe Benefit Tax	0	0
Excess Provision Written Back	0	0
Profit/(Loss) for the year after Taxation	1553248	731127
Balance of Profit Brought Forward	(220400019)	(221131146)
Transfer from General Reserve	0	0
<b>Net Profit Transferred to Balance Sheet</b>	<b>(218846771)</b>	<b>(220400019)</b>

### OPERATIONS:

During the year under review, your Company has made progress in its operations and has shown impressive growth. The Income during the year of Rs. 240815017 compare to last year income of Rs. 306686461. The net Profit after tax of the company is Rs. 1553248 during the year .Your Directors strive hard and expect that your Company will achieve significant growth in the coming years.

### DIVIDEND

In order to conserve resources, the Board of Directors has thought it prudent not to recommend payment of dividend for the year under review.

### PARTICULARS OF EMPLOYEES:

There is no employee having remuneration in accordance with the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 as amended.

### DIRECTOR:

The Board of Directors of the Company is properly constituted and Mr. Shankar Bhagat, Director of the Company was liable to retire by rotation and being eligible, offer himself for re-appointment.

### RESPONSIBILITY STATEMENT:

As required u/s 217(2AA) of the companies Act 1956 your director confirms that in the preparation of the annual accounts:

- 1) The applicable accounting standards have been followed along with proper explanation relating to material departures.

- 2) Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, 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 the loss of the company for that period.
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The annual accounts have been prepared on a going concern basis.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

As required under rule 3 of the companies (Disclosure of Particulars in the report of board of directors) Rules 1998, the particulars relating to the conservation of energy, Technology absorption, and the foreign exchange earnings and outgo are also Nil.

#### **LISTING AGREEMENT:**

The securities of the company are listed with the Bombay Stock Exchange Limited (BSE), Mumbai. The company has paid the annual listing fees for the year 2009–2010.

#### **APPOINTMENT OF AUDITORS:**

M/s. Arvind A. Thakkar, Chartered Accountants, Ahmedabad, are proposed to be appoint as auditor of the company for the financial year 2010–2011. The auditors of the Company retire at the forthcoming Annual General Meeting. The board will fix the remuneration of newly appointed auditors of the company. The necessary certificate under section 224(1B) of the Companies Act, 1956 has been received from the auditor.

The Statutory Auditors of the Company have submitted auditors report on the accounts of the Company for the accounting year ended 31<sup>st</sup> March, 2010 which is self-explanatory and needs no comments.

#### **POSTAL BALLOT FOR INSERTION OF OBJECT:**

The Board of Directors of your Company in their meeting held on 19<sup>th</sup> March, 2010, has decided to diversify its business activities by venturing into Minerals and Mining activities. The Board of Directors has appointed Mr. Ravi Kapoor, a Practicing Company Secretary having its office at 4<sup>th</sup> Floor, Shaival Plaza, Near Gujarat College, Ellisbridge, Ahmedabad– 380 006, as Scrutinizer for conducting the Postal Ballot process . Mr. Ravi kapoor, Practicing Company Secretary has given scrutinizer's report as on 5<sup>th</sup> May, 2010 and as votes cast in favour of special resolution is more than 3 times, the special resolution was passed and new object of mines and minerals is inserted in the object clause of the Company.

#### **LISTING AND TRADING APPROVAL OF TOAL 2,80,00,000 EQUITY SHARES:**

The company has issued total 2,80,00,000 convertible warrants which were converted into equity shares and during the year company get the listing approval and trading approval for 1,30,00,000 equity shares of the Company as on 26<sup>th</sup> June, 2009 and 24<sup>th</sup> July, 2009 respectively and the company also get listing and trading approval of 1,50,00,000 equity shares of the Company as on 28<sup>th</sup> January, 2010 and 4<sup>th</sup> March, 2010 respectively.

**ACKNOWLEDGEMENT:**

The management is grateful to the Government Authorities, Bankers, Vendors, Employees, for their continued assistance and co-operation. The Directors also wish to place on record the confidence of members in the company.

**For & on behalf of the Board of Directors**

**Place: Gurgaon**

**Date: 06.09.2010**

**Sd/-**

**Mr. Mahendra Ganatra**

**Managing Director**

## **REPORT ON CORPORATE GOVERNANCE:**

(Pursuant to Clause 49 of the Listing Agreement)

Your company in tune with the requirements of the provisions of Corporate Governance has taken all measures considered necessary for ensuring its compliance.

A detailed Corporate Governance Compliance Report as on **31/03/2010** is given below:

### **COMPANY'S POLICY:**

The company's policy on Corporate Governance envisages the assignment of high level of transparency and accountability in the functioning of the company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, clients, bankers and other business places with due emphasis on regulatory compliance.

The company firmly believes that its system and actions must be devoted for enhancing corporate performance and maximizing shareholder value in the long run.

### **BOARD OF DIRECTORS:**

The Board of Directors of the Company comprises following Directors:

Name of Current Director's	Designation	Category	No. of Board Meetings attended during the year	Weather attended last AGM
Mr. Mahendra Ganatra	Chairman	Managing Director	10	Yes
MR. Shankar Prasad Bhagat	Non-Executive & independent	Director	10	Yes
MR. Anil Mistry	Non-Executive & independent	Director	10	Yes

The Board of Directors met **10 times** during the year dated **13.04.2009, 23.04.2009, 19.05.2009, 25.05.2009, 23.07.2009, 28.07.2009, 29.10.2009, 23.11.2009, 25.01.2010, 19.03.2010**. The attendances of the Directors of the company at the Board Meeting are as follows:

Director	No. of Meetings		Attended Last AGM
	Held	Attended	
Mr. Mahendra Ganatra	10	10	Yes
MR. Shankar Prasad Bhagat	10	10	Yes
MR. Anil Mistry	10	10	Yes

### **AUDIT COMMITTEE**

#### **Terms of Reference**

1. To review the adequacy of internal control systems and internal Audit Reports and their compliance thereof.

2. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. To recommend the appointment of auditors and fixation of audit fees.
4. To review the financial statements before submission to the Board.

#### COMPOSITION OF AUDIT COMMITTEE

The Constitution of Audit committee meets the requirement of section 292A of Companies Act, 1956 and clause 49 of Listing Agreement.

The Committee met 4 times during the year on 31/03/2010 and the attendance of members of the committee was as follow:

Director	Category	No. of Meetings	
		Held	Attended
Mr. Shankar Prasad Bhagat	Chairman	4	4
Mr. Mahendra Gantra	Member	4	4
Mr. Anil Mistry	Member	4	4

#### SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

As a measure of Good Corporate Governance and to focus on the shareholders' grievances and towards strengthening investor relations, an investors' Grievance Committee has been constituted as a committee of the Board, to redress / minimize the grievance of shareholders/ Investors

The functions of the committee include:

To specifically look into redressing investors' grievances pertaining to:

- a) Transfer of shares
- b) Dividends
- c) Dematerialization of shares
- d) Replacement of lost/stolen/mutilated share certificates
- e) Any other related issues

The committee comprises of the following Directors namely:

Name of the Director	Category
Mr. Mahendra Ganatra	Chairman
Mr. Shankar Prasad Bhagat	Member
Mr. Anil Mistry	Member

During the year under review, no complaint was received from Shareholders/ investors or Stock Exchanges or SEBI.

#### REMUNERATION COMMITTEE:

Constitution of Remuneration Committee by listed public company pursuant to the Listing Agreement is voluntary. Presently company does not pay any remuneration to any Executive or non-executive Director other than sitting fees for attending Board Meetings. All directors waived off their right to receive sitting fees for attending the board meeting of the Company.

#### GENERAL BODY MEETING:

The location and time of the Annual General Meetings held during the last three years is as follows:

Date	Venue	Time
September 29, 2007	Saras Tourist Complex, Damdama Lake, Gurgaon – Haryana	11.00 AM
September 30, 2008	Plot No. 28, Electronic City, Sector 18, Gurgaon, Haryana – 122 016	11.00 AM
September 30, 2009	Plot No. 28, Electronic City, Sector 18, Gurgaon, Haryana – 122 016	11.00 AM

#### **STATUTORY DISCLOSURES:**

1. There were no transactions of a materially significant nature with the promoters, the directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large.
2. Transactions with related parties during the year are disclosed in the notes forming part of accounts in the Annual Report.
3. There has been no instance of non-compliance, penalties or strictures on any matter relating to the capital market and listing.

#### **MEANS OF COMMUNICATION:**

Half-yearly report sent to each household of shareholders : No

Quarterly Results–

Which newspapers normally published in : Economics Times

Presentation made to Institutional Investors or to Analyst : No

#### **MANAGEMENT DISCUSSION ANALYSIS REPORT:**

##### **Outlook:**

The company is confident in spite of the possible recessionary conditions in the industry it will perform better in view of the strong fundamentals of the Indian companies and hope to improve its Turnover

##### **Internal Controls Systems and their adequacy:**

The company has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of law and regulations. The internal control system is supported by the internal audit process. The Internal Auditor reviews and ensures that the audit observations are acted upon. The Audit Committee of the Board reviews the Internal Audit reports and the adequacy and effectiveness of internal controls.

##### **Human Resources**

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavors to train nurture and groom its people. The Company puts emphasis on attracting and retaining the right talent. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development.

##### **Cautionary Statement:**

Statements in this Management Discussion and Analysis describing the company's objectives, projections,