

NOTICE

NOTICE is hereby given that 20th Annual General Meeting of **INDO-CITY INFOTECH LTD.** will be held on Friday, 28th 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: 28th August, 2012

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

Registered Office:

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

INDO-CITY INFOTECH LIMITED

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 7th, 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 31st March, 2012

I. FINANCIAL RESULTS:

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

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

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.

INDO-CITY INFOTECH LIMITED

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 : 30th 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 : 30th 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.

INDO-CITY INFOTECH LIMITED

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.

INDO-CITY INFOTECH LIMITED

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

Date	Venue	Time	No. of Special Resolutions
30 th September, 2009	Registered Office	11.00 A..M.	—
29 th September, 2010	Registered Office	11.00 A.M.	—
30 th 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 : 28th Sept., 2012 at 10.00 A.M.
 Venue : **Registered Office**
 9.2 Financial Calendar : 1st April to 31st 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, 3rd Floor, Chakala,
 Andheri (East), Mumbai – 400 099 INDIA

INDO-CITY INFOTECH LIMITED

9.9 Share Transfer System

Share Transfer request received in physical form are registered within 15 days from the date of receipt and Demat request are normally confirmed within an average of 15 days from the date of receipt.

9.10 Shareholding Pattern as on 31st March, 2012:

Category	No. of Shares held	% of Shareholding
Promoters	4444300	42.73%
Private- Bodies Corp.	593871	5.71%
Public- Individuals	5356774	51.51%
NRI's/OCB's	5055	0.05%
Total	10,400,000	100.00%

9.11 Dematerialization of Shares & Liquidity :

The Company's equity shares are included in the list of Companies whose scripts have been mandated by the SEBI for settlement only in dematerialized form by all investors. The Company has signed agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") to offer depository services to its shareholders. 1,02,73,265 Equity Shares of the total number of equity shares of the Company have been dematerialized as on 31/03/2012.

9.12 Outstanding GDR/ADR/Warrants or any convertible instrument, : N.A. Conversion date and likely impact on equity.

9.13 Address for Investor Correspondence :

- i) for transfer / dematerialization of shares : SHAREPRO SERVICES
Satam Estate, 3rd Floor, Chakala,
Andheri (East), Mumbai – 400 099 INDIA
- ii) for any query on Annual Report : Registered Office of the Company.

Investors Relations Cell :

Company has appointed an independent agency to maintain smooth relations with the investors, who give details of all-important events to the investors from time to time.

There are no valid requests pending for share transfers as on the date of Directors' Report.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of **INDO-CITY INFOTECH LIMITED.**

We have examined the compliance of conditions of Corporate Governance by **Indo-City Infotech Limited**, for the year ended 31st March, 2012 as stipulated in Clause-49 of the Listing Agreements of the said Company with the stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was Limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit for 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:

- (i) We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreements.
- (ii) 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 **S.K. PATODIA & ASSOCIATES**
Chartered Accountants

Arun Poddar
Partner
M.No. 134572

Place : Mumbai
Date : 30th May, 2012

Auditors' Report

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

We have audited the attached Balance Sheet of **Indo-City Infotech Limited** as at **31st March, 2012**, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- 1 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order, 2003 and amendments thereto issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have 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 accounts as required by law have been kept by the Company as it appears from our examination of those books.
 - c) The said Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, **except Accounting Standard 15 (AS-15) relating to Accounting of Employee Benefits as referred to in Note no. 4 of "Other Notes" to financial statements.**
 - e) On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes appearing thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
 - ii) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **S. K. Patodia & Associates**
Chartered Accountants
Firm Reg. No. : 112723W

Place : Mumbai
Date : 30th May, 2012

Arun Poddar
Partner
Membership No. : 134572

Annexure to Auditors Report

Annexure referred to in Paragraph 2 of the Auditors Report to the members of **Indo-City Infotech Limited** for the year ended 31st March 2012.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b) All the 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 of the company and the nature of business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- c) No major asset has been disposed off during the year.
- (ii) a) During the year the company has not conducted any trading business. The management has not conducted any physical verification of inventory as there is no stock of inventory.
- b) The procedures of physical verification of inventory followed by the Company are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) a) The Company has granted unsecured loans to three parties covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis. The maximum amount involved during the year was Rs. 8.00 lacs and the year end balance of the loans granted to such persons is Rs. 8.14 lacs.
- b) In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interests of the company.
- c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest is also generally regular.
- d) According to the information provided to us, the Company has taken reasonable steps for recovery of the said loans.
- e) The Company has taken unsecured loans from three parties covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis. The maximum amount involved during the year was Rs. 7.30 lacs and the year end balance of the loans granted to such persons is Nil.
- f) In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interests of the company.
- g) In respect of loans taken, payment of the principal amount is as stipulated and payment of interest is also generally regular.
- (iv) In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) a) Based on the audit procedures performed by us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained in that section.
- b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time

INDO-CITY INFOTECH LIMITED

- (vi) The company has not accepted any public deposit.
- (vii) In our opinion and according to the information and explanation given to us, the company has an adequate internal audit system commensurate with size and nature of its business.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the Company.
- (ix) a) Accordingly to the records of the Company, the undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty, Cess have been regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2012 for a period more than six months from the date they became payable.
b) There are no amount in respect of any disputed income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess.
- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current as well as previous year.
- (xi) The Company has not defaulted in repayment of its dues to banks and financial institutions.
- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
- (xiv) In respect of dealing in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.
- (xv) The company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) The Company had taken Term Loan of Rs.14.00 lacs from The Bharat co-op Bank (Mumbai) Ltd. against Hypothecation of Fixed Deposit Receipts of Bharat Co-op. Bank Ltd which has been repaid during the year.
- (xvii) On an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investments.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

For S. K. Patodia & Associates
Chartered Accountants
Firm Reg. No. : 112723W

Place : Mumbai
Date : 30th May, 2012

Arun Poddar
Partner
Membership No. : 134572

INDO-CITY INFOTECH LIMITED
Balance Sheet as at March 31, 2012
(in ₹)

Particulars	Note No.	As at	
		March 31, 2012	As at March 31, 2011
I Equity & Liabilities			
1. Shareholders' funds			
(a) Share Capital	2(1)	104,000,000	104,000,000
(b) Reserves and Surplus	2(2)	<u>28,137,404</u>	<u>27,401,307</u>
		132,137,404	131,401,307
2. Non - Current Liabilities			
(a) Long -Term Borrowings	2(3)	-	1,400,355
(b) Deferred Tax Liabilities (Net)	2(4)	113,943	134,277
		113,943	1,534,632
3. Current Liabilities			
(a) Other Current Liabilities	2(5)	10,576	5,595
(b) Short - Term Provisions	2(6)	<u>158,649</u>	<u>151,045</u>
		169,225	156,640
TOTAL		<u>132,420,572</u>	<u>133,092,579</u>
II Assets			
1. Non - Current Assets			
(a) Fixed Assets	2(7)		
Tangible Assets		5,365,949	5,648,770
(b) Non - Current Investments	2(8)	40,382,768	23,820,121
(c) Long - Term Loans and Advances	2(9)	56,965,914	80,314,914
(d) Other Non - Current Assets	2(10)	<u>1,902,000</u>	<u>1,902,000</u>
		104,616,631	111,685,805
2. Current Assets			
(a) Trade Receivables	2(11)	17,759	237,768
(b) Cash and Cash Equivalents	2(12)	22,404,606	15,525,914
(c) Short-Term Loans and Advances	2(13)	392,754	424,074
(d) Other Current Assets	2(14)	<u>4,988,822</u>	<u>5,219,018</u>
		27,803,941	21,406,774
TOTAL		<u>132,420,572</u>	<u>133,092,579</u>

See accompanying notes to the financial statements, as under

Significant Accounting Policies	1
Notes to the Balance Sheet	2
Other Notes	4

In terms of our report of even date

For S K Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Arun Poddar
Partner
Membership No. : 134572
Mumbai
May 30, 2012

For and on behalf of Board of Directors

Aneel Jain Chairman & Managing Director

Shashi Jain Director

Mumbai
May 30, 2012

INDO-CITY INFOTECH LIMITED
Statement of Profit and Loss for the year ended March 31, 2012
(in ₹)

Particulars	Note No.	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
I Gross Revenue from Operations	3(1)	878,593	752,875
Less: Excise Duty		-	-
Net Revenue from Operations		<u>878,593</u>	<u>752,875</u>
II Other Income	3(2)	<u>6,062,332</u>	<u>6,108,378</u>
III Total Revenue (I + II)		6,940,925	6,861,253
IV Expenses			
Purchases of Stock-in-Trade	3(3)	-	191,978
Employee Benefits Expense	3(4)	1,457,636	1,484,034
Finance Costs	3(5)	68,939	909
Depreciation and Amortization Expense	2(7)	288,246	743,429
Other Expense	3(6)	<u>4,079,735</u>	<u>3,531,809</u>
Total Expense		5,894,556	5,952,159
V Profit before Tax (III-IV)		<u>1,046,369</u>	<u>909,094</u>
VI Tax Expense:			
(a) Current Tax expense for Current Year		328,550	174,670
(b) Current Tax expense relating to Prior Years		<u>2,056</u>	<u>17,666</u>
Net Current Tax expense		330,606	192,336
(c) Deferred Tax	2(4)	<u>(20,334)</u>	<u>(152,073)</u>
		<u>310,272</u>	<u>40,263</u>
VII Profit/(Loss) for the Period from Continuing Operations (V- VI)		<u><u>736,097</u></u>	<u><u>868,831</u></u>
VIII Earnings Per Equity Share (Face Value ₹ 10 Per Share):	3(7)		
(1) Basic (₹)		0.07	0.08
(2) Diluted (₹)		0.07	0.08

See accompanying notes to the financial statements, as under

Significant Accounting Policies	1
Notes to Statement of Profit and Loss	3
Other Notes	4

In terms of our report of even date

For S K Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Arun Poddar
Partner
Membership No. : 134572
Mumbai
May 30, 2012

For and on behalf of Board of Directors

Aneel Jain Chairman & Managing Director

Shashi Jain Director

Mumbai
May 30, 2012

Accompanying notes to the financial statements as at March 31, 2012

NOTE 1: Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act'), and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

These financial statements are presented in Indian rupees and rounded off to nearest thousands unless otherwise stated.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash and cash equivalents includes fixed deposits which are freely remissible but excludes interest accrued on fixed deposits.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired/sold during the year is provided on prorata basis

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.7 Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

Income from services

Revenues from services rendered are recognised when services are rendered and when the revenue is measurable and there is no uncertainty as to ultimate collection

Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.8 Fixed assets

Tangible assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Refer Note 2.21 for accounting for Research and Development Expenses.

2.9 Foreign currency transactions and translations

Foreign currency transactions are accounted at the exchange rates ruling on the date of the transactions. At the year end all monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates.

Treatment of exchange differences arising out of actual payments / realisations and from the year end restatement referred to above are adjusted to profit and loss account.

2.10 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.11 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.12 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.13 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.14 Provision and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Accompanying notes to the financial statements as at March 31, 2012
NOTE 2: Notes to the Balance Sheet

(In Rupee`s)

Particulars	AS AT March 31, 2012	AS AT March 31, 2011	
1. SHARE CAPITAL			
(a) Details of authorised, issued and subscribed share capital			
Authorised Capital			
1,07,50,000 (PY 1,07,50,000) Equity Shares of Rs. 10/- each	107,500,000	107,500,000	
Issued Capital			
1,04,00,000 (PY 1,04,00,000) Equity Shares of Rs. 10/- each	104,000,000	104,000,000	
	-	-	
Subscribed and Paid up			
1,04,00,000 (PY 1,04,00,000) Equity Shares of Rs. 10/- each fully paid up	104,000,000	104,000,000	
Total	104,000,000	104,000,000	
(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period			
No. of shares at the beginning of the year	10,400,000	10,400,000	
Add: shares issued during the year	-	-	
No. of shares at the end of the year	10,400,000	10,400,000	
(c) Details of Shareholding			
Name of the Shareholder	Relationship	As at March 31, 2012	As at March 31, 2011
Aneel Banwari Jain	Promoter	1,872,000 18.00%	1,593,217 15.32%
Shashi Aneel Jain	Promoter	1,716,000 16.50%	1,474,900 14.18%
Aneel Jain HUF	Promoter	856,300 8.23%	856,300 8.23%
2. RESERVES AND SURPLUS			
Particulars			
a. Securities Premium Reserve			
Opening Balance	20,554,000	20,554,000	
Add: received on shares issued during the year	-	-	
Closing Balance	20,554,000	20,554,000	
b. Surplus in Statement of Profit and Loss			
Opening Balance	6,847,307	5,978,477	
Add: profit for the period	736,097	868,831	
Closing Balance	7,583,404	6,847,307	
Grand Total	28,137,404	27,401,307	
3. LONG-TERM BORROWINGS			
Secured Loans			
Term Loan from Bank*	-	1,400,355	
Total	-	1,400,355	

*The Term Loan was taken from The Bharat Co-Op. Bank (Mumbai) Ltd and was secured against hypothecation of the Fixed Deposit Receipts with The Bharat Co-Op. Bank (Mumbai Ltd).

Accompanying notes to the financial statements as at March 31, 2012
NOTE 2: Notes to the Balance Sheet

(In Rupee`s)

Particulars	AS AT March 31, 2012	AS AT March 31, 2011
4. DEFERRED TAX LIABILITIES (NET)		
The major components of deferred tax liabilities as recognized in the financial statements is as follows:		
Deferred Tax Liabilities		
On difference between book balance and tax balance of fixed assets	113,943	134,277
Others	-	-
	<u>113,943</u>	<u>134,277</u>
Deferred Tax Assets	-	-
Net	<u>113,943</u>	<u>134,277</u>
5. OTHER CURRENT LIABILITIES		
Statutory Liabilities		
VAT Payable	5,500	283
TDS Payable	1,051	962
Professional Tax Payable	4,025	4,350
Total	<u>10,576</u>	<u>5,595</u>
6. SHORT-TERM PROVISIONS		
Provision for expenses	158,649	151,045
Total	<u>158,649</u>	<u>151,045</u>

7. FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2011	Additions	Deductions/ Adjustments	As at March 31, 2012	As at April 1, 2011	Charged For the year	Deductions/ Adjustments	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets										
Land										
Owned	3,306,382	-	-	3,306,382	-	-	-	-	3,306,382	3,306,382
Air conditioner										
Owned	275,940	-	-	275,940	139,056	13,107	-	152,163	123,777	136,884
Computer & Software										
Owned	248,288	4,200	-	252,488	74,323	40,421	-	114,744	137,744	173,965
Furnitures and Fixtures										
Owned	3,627,831	-	-	3,627,831	1,678,876	229,642	-	1,908,518	1,719,313	1,948,955
Office Equipments										
Owned	106,422	1,225	-	107,647	23,838	5,076	-	28,914	78,733	82,584
TOTAL	7,564,863	5,425	-	7,570,288	1,916,093	288,246	-	2,204,339	5,365,949	5,648,770
Previous Year	12,797,444	52,188	5,284,769	7,564,863	6,583,046	1,129,897	5,796,850	1,916,093	-	-

8. NON-CURRENT INVESTMENTS
(a) Trade Investments
In Equity Shares
Quoted fully paid up

 30,000 (PY 30,000) Shares of ₹ 10/- each of NHPC 936,369 936,369

 2,00,000 (PY Nil) Shares of ₹ 10/- each Avon Corporations Ltd 555,210 -

 100 (PY Nil) Shares of ₹ 10/- each of Essar Oil Ltd 7,437 -
Unquoted fully paid up
In Associates:

 79,000 (PY 29,000) Shares of ₹ 10/- each of ABJ Developers P. Ltd 7,900,000 2,900,000

 70,285 (PY 48,285) Shares of ₹ 10/- each of Indo Castle Sh. & Stocks Ltd 7,028,500 4,828,500

 1,71,000 (PY 61,000) Shares of ₹ 10/- each of Indocoins Cap. Mark. P. Ltd 17,100,000 6,100,000

 In Others 6,855,252 9,055,252
40,382,768 23,820,121

 Less: Provision for dimunition in the value of Investments - -
Total 40,382,768 23,820,121

Accompanying notes to the financial statements as at March 31, 2012
NOTE 2: Notes to the Balance Sheet

(In Rupee`s)

Particulars	AS AT March 31, 2012	AS AT March 31, 2011
(b) Aggregate Book value of:		
a. Quoted fully paid up (Market Value)	1,499,016 1,086,855	936,369 760,500
b. Unquoted fully paid up	38,883,752	22,883,752
9. LONG-TERM LOANS AND ADVANCES		
a. Security deposits		
Unsecured, considered good	35,200	34,200
b. Loans and advances to related parties (Refer note-4 to Other Note)		
Unsecured, considered good	800,000	300,000
c. Balances with government authorities		
Unsecured, considered good VAT credit receivable	70,714	70,714
d. Loans and advances to other parties		
Unsecured, considered good	56,060,000	79,910,000
Total	56,965,914	80,314,914
10. OTHER NON-CURRENT ASSETS		
Amount paid for Website portal	1,902,000	1,902,000
Total	1,902,000	1,902,000
11. TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	17,759	237,768
Others	-	-
Total	17,759	237,768
12. CASH AND CASH EQUIVALENTS		
a. Balance with banks (excluding bank deposits with more than 12 months maturity)*	21,925,897	15,493,738
b. Cash on Hand	478,709	32,176
Total	22,404,606	15,525,914
* The balance with banks includes Fixed Deposits of ₹ 17,95,50,000/- (PY ₹ 1,41,00,000) with less than 12 months maturity.		
13. SHORT-TERM LOANS AND ADVANCES		
Advance income tax (net of provision for tax)		
Unsecured, considered good	392,754	424,074
Total	392,754	424,074
14. OTHER CURRENT ASSETS		
Accruals		
Interest accrued on deposits	877,782	458,334
Interest accrued on Long-term loans and advances	4,097,331	4,745,428
Interest accrued on trade receivables	13,709	15,256
Total	4,988,822	5,219,018

Accompanying notes to the financial statements as at March 31, 2012
NOTE 3: Notes to Statement of Profit and Loss

(In Rupee`s)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
1. REVENUE FROM OPERATIONS		
a. Sale of Products	-	335,280
b. Services rendered	878,593	417,595
Total	878,593	752,875
2. OTHER INCOME		
a. Interest Income	5,964,765	5,811,158
b. Dividend	45,695	42,995
c. Net Gain on Sale Of Investment	7,872	772,955
d. Profit on sale of Computer	-	782
e. Profit/(Loss) on trading of shares and securities (578,500)	-	-
f. Other Non Operating Income (net of expenses directly attributable to such income)	44,000	58,988
Total	6,062,332	6,108,378
3. PURCHASE OF STOCK-IN-TRADE		
Purchases	-	191,978
Total	-	191,978
4. EMPLOYEE BENEFIT EXPENSES		
a. Salaries, Incentives and Wages	1,374,821	1,386,618
b. Staff Welfare Expenses	82,815	97,416
Total	1,457,636	1,484,034
5. FINANCE COST		
Interest on borrowings	68,939	909
Total	68,939	909

Accompanying notes to the financial statements as at March 31, 2012
NOTE 3: Notes to Statement of Profit and Loss

(In Rupee`s)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
6. OTHER EXPENSES		
Repairs and maintenance- Building	156,608	131,266
Repairs and maintenance- Computer	152,075	98,636
Communication	68,337	84,285
Travelling and conveyance	334,774	265,412
Bank Charges	4,643	3,770
Printing and stationery	404,202	281,241
Sales promotion and advertisement expenses	378,091	462,036
Legal and professional	72,645	126,550
Payments to Auditors:		
Audit fees	37,109	30,000
Tax audit fees	10,644	8,605
For other services	1,655	-
Bad trade and other receivables, loans and advances written off	100,335	-
Miscellaneous exp.	810,000	-
Electricity Charges	75,883	56,450
Office Expenses	199,531	401,311
Postage & Courier Exp	147,068	104,845
Directors Remuneration	1,000,008	1,000,000
Share Transfer Charges	99,272	102,272
Operating Expenses	26,855	36,395
Rates & Taxes	-	2,500
Website Exp	-	336,235
Total	4,079,735	3,531,809
7. EARNING PER EQUITY SHARE		
Profit/(Loss) attributable to Equity shareholders	736,097	868,831
Weighted average number of equity shares	10,400,000	10,400,000
Basic Earnings Per Share	0.07	0.08
Face value per Share	10	10
Profit after adjusting interest on petential equity shares	736,097	868,831
Weighted average number of equity share after considering potential equity shares	10,400,000	10,400,000
Dilutive Earnings per Share	0.07	0.08

INDO-CITY INFOTECH LIMITED

Accompanying notes to the financial statements as at March 31, 2012

NOTE 4: Other Notes

1. Information pursuant to para 5(vii) and 5(iii) of the General Instructions to the Statement of Profit and Loss

a. Particulars of Traded Goods purchases Finished Goods

	For the year ended March 31, 2012	For the year ended March 31, 2011
Computer Hardware and Softwares	-	12
Total	-	12

b. Particulars of Sales and Inventory position Finished Goods

	Sales	Closing Inventory	Opening Inventory
Computer Hardware and Softwares	-	-	-
	(12)	(-)	(-)
Total	-	-	-
	(12)	(-)	(-)

* Previous year figures are in brackets

c. Particulars of Services rendered (for service companies) Services

Metromonial Service	878,593	417,595
Total	878,593	417,595

2 In the opinion of the Board, all the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The Provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

3 Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'

Liabilities in respect of gratuity & leave encashment are accounted for on cash basis which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits as notified by the Companies (accounting Standard) Rules , 2006 which requires that Gratuity and Leave Encashment Liabilities be accounted for on accrual basis.

4 Related Party Disclosure

a. Details of Related Parties

Description of Relationship	Names of Related Parties
Associates	1) Times Growth Securities Ltd. (Formerly Known as Indo-Castle Shares & Stocks Ltd. 2) ABJ Developers Private Limited 3) IndoCoins Capital Markets Pvt. Ltd.
Key Management Personnel (KMP)	1) Mr. Aneel Jain, Chairman & Managing Director 2) Mrs. Shashi Aneel Jain , Director 3) Mr. Brij Kirshor Gupta, Director 4) Mr. Ashwin Maheswari, Director
Relatives of KMP	1) Pooja Jain 2) Swati Jain 3) Vimal Jian HUF
Company in which KMP / Relatives of KMP can exercise significant influence	1) Times Growth Securities Ltd. (Formerly Known as Indo-Castle Shares & Stocks Ltd. 2) ABJ Developers Private Limited 3) IndoCoins Capital Markets Pvt. Ltd. 4) Antariksh's Gems Pvt. Ltd. 5) Towermatic Plastics Pvt. Ltd.

Note: Related parties have been identified by the management

INDO-CITY INFOTECH LIMITED

Accompanying notes to the financial statements as at March 31, 2012

NOTE 4: Other Notes

b. Details of Related Party transactions during the year ended March 31, 2012

(Amount in ₹)

Particulars	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Loan Taken from	730,000	-	-	-	730,000
	(750,000)	-	-	-	(750,000)
Repayment of Loan to	736,873	-	-	-	736,873
	(750,540)	-	-	-	(750,540)
Loan given to	-	-	800,000	-	800,000
	(2,650,000)	-	(300,000)	-	(2,950,000)
Recovery of Loan from	13,360	-	303,540	-	316,900
	(4,552,532)	-	-	-	(4,552,532)
Remuneration	-	1,000,008	-	-	1,000,008
	-	(1,000,000)	-	-	(1,000,000)
<u>Balances outstanding at the end of the year</u>					
Long-term loans and advances	-	-	813,709	-	813,709
	(13,360)	-	(301,896)	-	(315,256)

* Previous year figures are in brackets

In terms of our report of even date

For S K Patodia & Associates

Chartered Accountants

Firm's Registration No. : 112723W

Arun Poddar

Partner

Membership No. : 134572

Mumbai

May 30, 2012

For and on behalf of Board of Directors

Aneel Jain

Chairman & Managing Director

Shashi Jain

Director

Mumbai

May 30, 2012

Cash flow statement for the year ended March 31, 2012
(Amount In Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
A. Cash flow from operating activities		
Net profit before taxation	1,046,369	909,094
<u>Adjustments for:</u>		
Depreciation on fixed assets	288,246	743,429
Other income	(6,062,332)	(6,108,377)
Operating profit before working capital changes	(4,727,717)	(4,455,854)
<u>Changes in working capital</u>		
(Increase)/decrease in trade receivables	220,009	6,568
Increase/(decrease) in other current liabilities	4,981	(7,467)
Increase/(decrease) in short-term loans and advances	31,320	-
(Increase)/decrease in other current Assests	230,196	-
Increase/(decrease) in short term provisions	7,604	-
Cash generated from operations	(4,233,607)	(4,456,753)
Income taxes paid	(176,726)	(174,666)
Net cash inflow from/(outflow) from operating activities	(4,410,333)	(4,631,419)
B. Cash flow from investing activities		
Purchase of tangible fixed assets	(5,425)	(52,188)
Sale of tangible fixed assets	-	40,000
Movement in Long-term Long term loans and advances	23,349,000	(5,942,983)
Movement in Non-current investments	(16,562,647)	17,521,847
Other income received	97,567	296,437
Interest received	5,560,596	5,352,824
Net cash inflow from/(outflow) from investing activities	12,439,091	17,215,937
C. Cash flow from financing activities		
Money from long-term borrowings	(1,400,355)	1,400,355
Net cash inflow from/(outflow) from financing activities	(1,400,355)	1,400,355
Net increase/(decrease) in cash and cash equivalents	6,628,403	13,984,873
Opening cash and cash equivalents	15,525,914	1,541,041
Closing cash and cash equivalents	22,154,316	15,525,914

In terms of our report of even date

For S K Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W
Arun Poddar
Partner
Membership No. : 134572

Mumbai

May 30, 2012

For and on behalf of Board of Directors
Aneel Jain
Chairman & Managing Director
Shashi Jain
Director

Mumbai

May 30, 2012

INDO-CITY INFOTECH LIMITED

INDO-CITY INFOTECH LIMITED

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL
(Joint Shareholders may obtain additional Attendance Slips on request).

Regd. Folio No _____

D.P. ID* _____ Client ID _____

Name of the Shareholder (s) or Proxy _____
(IN BLOCK LETTERS)

No. of Shares held _____

I hereby record my presence at the Twentieth Annual General Meeting of the Company on Friday,
28th September, 2012 at A6, Mittal Estate, Bldg. No. 2, Andheri-Kurla Road, Andheri (E), Mumbai-400 059. at 10.00 A.M.

SIGNATURE OF THE
SHAREHOLDER OR PROXY _____

* Applicable to Investors holding shares in electronic form.

INDO-CITY INFOTECH LIMITED

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

PROXY FORM

I/We _____

of _____

being Member/Members of INDO-CITY INFOTECH LIMITED hereby

appoint _____ of _____ or

failing him _____ of _____

as my/our Proxy to vote for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to
be held on Friday, 28th September, 2012 at 10.00 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Affix
1 Rs.
Revenue
Stamp

Regd. Folio No _____

D.P. ID* No. _____ Client ID _____

Note : The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the
time for holding the meeting.

INDO-CITY INFOTECH LIMITED

CONTENTS

PAGE NO.

Notice	1
Director's Report	2
Report on Corporate Governance	5
Auditor's Report	9
Balance Sheet	12
Profit & Loss Account	13
Schedules	14
Notes to Accounts	18
Cash Flow Statement	21

REGISTERED OFFICE

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

SHARE TRANSFER OFFICE

Sharepro Services (India) Pvt. Ltd.
Sam Hita warehousing Complex,
Warehouse No. 52 &53, Plot 13AB,
2nd Floor, Sakinaka, Andheri (E), Mumbai- 400 072.

BANKERS

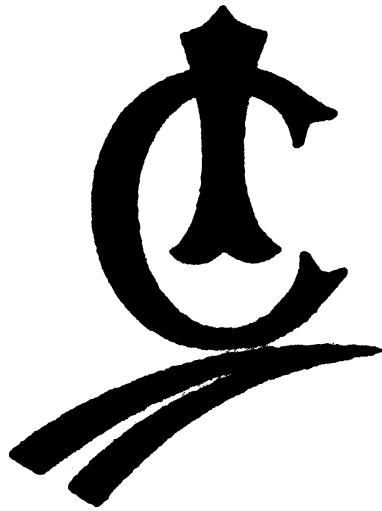
HDFC Bank
The Bharat Co-op. Bank Ltd.
Tamilnad Mercantile Bank Ltd.

AUDITORS

S. K. Patodia & Associates
Chartered Accountants
Mumbai-400 072.

INVESTOR HELP DESK

Telephone :- +91 22 2850 62 76
E-Mail : contact@indo-city.com



**Indo-City
Infotech Limited**

**20th ANNUAL REPORT
2011-2012**

Book- Post



If undelivered please return to:

INDO-CITY INFOTECH LIMITED

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