



11/08/11

# AGS Infotech Limited

## AGS INFOTECH LIMITED

### INFORMATION MEMORANDUM FOR LISTING OF 1,24,48,100 EQUITY SHARES OF RS.10/- EACH.

Registered Office Address: 3rd Floor, 302, Sahithi Arcade, Behind police Station, S.R. Nagar, Hyderabad – 500 038.

Corporate Office Address: 29/1C, South Block, Beretina Agrahara, Hosur Main Road, Bangalore -560 100

**Phone No:** +91 80-25744573/74

**Fax:** +91-80-25744574 **Website:** [www.agsinfotech.biz](http://www.agsinfotech.biz)

\*\*\*\*\*  
\*\*\*\*\*

**Contact person:** Mrs. Suhasini Ashok **Email:** [suhasini@agsinfotech.biz](mailto:suhasini@agsinfotech.biz)

The Company was originally incorporated as M/s. RR MEC TEC LIMITED on the 8<sup>th</sup> January, 1996 with Registration Number: 01-22614. The Certificate of Commencement of Business was obtained on 10<sup>th</sup> January, 1996. Subsequently the name of the Company was changed to AGS INFOTECH LIMITED on 07.06.2000.

### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of AGS Infotech Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of AGS Infotech Limited for taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

### ABSOLUTE RESPONSIBILITY OF AGS INFOTECH LIMITED

AGS Infotech Limited, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to AGS Infotech Limited, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

For AGS INFOTECH LIMITED

  
Managing Director



**LISTING**

# *AGS Infotech Limited*

The Equity Shares of AGS Infotech Limited is at present listed on Bangalore Stock Exchange Limited.

## **GENERAL INFORMATION**

|  |  |
|--|--|
| <b>Name of the Company</b>   | <b>AGS INFOTECH LIMITED</b>  |
| <b>ISIN No. of the Company</b>   | INE966E01016   |
| <b>Registered Office Address, Phones and Fax Nos. and website Of the Company</b>   | 3rd Floor, 302, Sahithi Arcade, Behind police Station, S.R. Nagar, Hyderabad – 500 038   |
| <b>Corporate Office Address</b>  | 29/1C, South Block, Beretina Agrahara, Hosur Main Road, Bangalore -560 100<br>Tel No: 91-80-25744573<br><br>Fax No:91-80-25744574<br><br>Email: suhasini@agsinfotech.biz |
| <b>Name, Tel. Phone No., Fax No. and E-mail ID of the Compliance Officer and Company Secretary</b>   | Mrs. Suhasini Ashok<br>Tel No: 91-80-25744573<br><br>Fax No:91-80-25744574<br><br>Email: suhasini@agsinfotech.biz  |
| <b>Name of the Managing Director of the Company</b>  | Mr. M.Mannivannan  |
| <b>Registrar and Transfer Agents of the Company (if In-house mention – INHOUSE) Address of the Registrar and Transfer Agents (if In-house provide the address for correspondence by investors)</b> | M/s. Venture Capital and Corporate Investments Pvt Ltd., 12-10-167, Bharat Nagar, Hyderabad-500018.  |
| <b>Whether /common Agency appointed for share transfers by the Company (Yes / No)</b>  | Yes –<br>M/s. Venture Capital and Corporate Investments Pvt Ltd., 12-10-167, Bharat Nagar, Hyderabad-500018.   |

For AGS INFOTECH LIMITED



Managing Director



# ACS Infotech Limited

## 1. COMPANY'S PROFILE:

### BUSINESS ACTIVITIES AND PROCESS

#### Services Provided

- ✓ Consulting
  - Outsourced Product Development
  - Offshore Development Centre
  - Engagement Models
  - Process Methodology
- ✓ Smart Card Solutions
- ✓ Embedded
- ✓ Testing
- ✓ OPD

#### Product Engineering Service

**Product Development:** we provide development from architecture to release and partial or full product life cycle development based on your requirements and unique needs.

**Product Enhancement:** we support product improvements and additional features based on market demand and specific client implementation.

**Product Migration:** we undertake your entire process of migration of a fully developed client-server product to web technology, smart devices and mobile-enablement or from old technology to new technology platforms.

**Product Testing:** we assure your product quality by being your third party testing team, from unit and modular testing to performance and integrated functionality testing.

**Product Maintenance:** we ensure that your clients have the valued post implementation support, we provide product maintenance services.

#### PRODUCT DEVELOPMENT –UI DESIGN

**Product User Interface Design:** we provide User Interface design combining the needs of user experience, pleasing aesthetics and pragmatic functionality - we support the entire range of your product UI design needs from layout schemas to icon designs to Web 2.0.

**Our AGS Outsourced Product Development (OPD) model** - a break-through software outsourcing model of partnering with ISVs and Software Product companies that integrates cutting-edge technology skills, mature process approach, creative digital branding and offshore location advantage to give ISVs and Product Companies superior product development benefits of development bandwidth, world-class quality, timeliness and value-for-money.

For ACS INFOTECH LIMITED

Managing Director



## **AGS Testing Service Offerings** *AGS Infotech Limited*

Built upon a team of 40+ Domain and Technical tester's completely independent team focusing on Verification and Validation requirements of Clients.

- ✓ People
- ✓ Test Strategy Consulting
- ✓ Test Process Improvement and Metrics
- ✓ Test Automation
  - Mercury, Test Complete, Compuware, Rational and Open Source tools
- ✓ Testing Center of Excellence
- ✓ Project Level Testing Services
- ✓ Skilled & Experienced Professionals
- ✓ Mature Process & Methodology
- ✓ Latest Tools
- ✓ Functional Lab
  - Functional
  - Regression
  - Compatibility
- ✓ Automation Lab
  - Regression Suite
  - Mercury, Rational, Silk
- ✓ Performance Lab
  - Load Testing
  - Stress Testing
  - Spike, Volume etc.

### **Outsourced Programming & Software Development**

AGS as quality Offshore Development Center (ODC) offers a plethora of services in the following technology in India:

- ✓ Open Source Technologies and platforms
- ✓ Microsoft Technologies
- ✓ Systems Programming and
- ✓ Enterprise Tools

With a dedicated team of quality system programmers & software developers backed up with our quality processes, we have grown steadily as a mid-sized Offshore Development Partner Company for both Software Product companies (ISVs) and Software Service Companies in addition to IT Departments of end-clients.

For AGS INFOTECH LIMITED

Managing Director



## **SMART CARD SOLUTIONS** *AGS Infotech Limited*

### **Campus & Library Management**

This is a one-card-fits-all solution allowing efficient handling of the campus management activities:

- ✓ student information,
- ✓ library usage,
- ✓ laboratory usage,
- ✓ computer usage and
- ✓ canteen management.

### **Features:**

- ✓ Offline/Online accessibility
- ✓ Multiple outlet usage facility
- ✓ loyalty points, redemption
- ✓ Management of customer data

### **Club Management:**

This Smartcard-based application caters to a variety of payment requirements for clubs, golf courses, amusement parks and fairs - this solution is a cashless payment system bringing in flexibility for payment and operations like accessibility to facilities, payment for restaurant bills, payment at the vending machines etc. Some of the features include:

- ✓ Cashless payment.
- ✓ Centralized data storage.
- ✓ Tracking of purchases.
- ✓ Authenticated Access control.
- ✓ Vendor & contract management.

### **ELECTRONIC CASH**

This application is a Smartcard driven solution that eliminates the need to carry hard cash for transactions and enforces electronic payment through card. E-Cash differs from credit/ debit card payments, in offering security through the chip embedded in the card. Cashless payment, Centralized data storage, tracking of purchases, Authenticated Access control, Vendor & contract management are the remarkable features of this facility.

For AGS INFOTECH LIMITED



Managing Director



# *AGS Infotech Limited*

## Usage

- ✓ Universities and Educational Institutions Canteens.
- ✓ Vending Machines, Hospitals, Amusement Parks.

## **FUTURE PROSPECTS OF THE COMPANY**

The role of technology has evolved from supporting corporations to transforming them. The IT, Software sector has already started picking up and the recent news, reports expect a rapid growth in the sector.

The Company is already in to

### Consulting

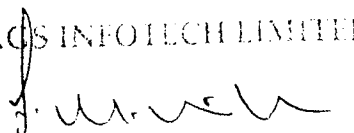
- Outsourced Product Development
- Offshore Development Centre
- Engagement Models
- Process Methodology
- ✓ Smart Card Solutions
- ✓ Embedded
- ✓ Testing
- ✓ OPD

The Company has established pipelines of customer orders in the embedded retail domain which could help it to elevate its growth trajectory. The network of retail chains, star hotels, schools, corporates, hospitals etc would form its clientele.

## **CAUTIONARY STATEMENT:**

Statements and expectations expressed in this document may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

For AGS INFOTECH LIMITED



Managing Director



## 2. CAPITAL STRUCTURE *ACS Infotech Limited*

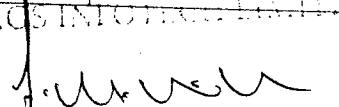
**As on 31.12.2010**

| Sl.No. | SHARE CAPITAL   | (Rs.)               |
|--------|---|---------------------|
| 1.     | Authorised capital: 1,30,00,000 equity shares of Rs. 10 each                    | 13,00,00,000        |
| 2.     | Issued, Subscribed and Paid up capital 1,24,48,100 equity shares of Rs. 10 each | 12,44,81,000        |
| 3.     | Calls in arrear   | Nil                 |
|        | <b>TOTAL</b>  | <b>12,44,81,000</b> |

### 3. FACT SHEET:

| Sr. No | Norms                                     | Position  |
|--------|---|---|
| 1.     | Issued and paid up equity capital         | The Company issued and paid up capital is Rs. 12.44 crores.   |
| 2.     | Profit making track record. (Rs.in lakhs) | 2010-11-Rs.283.79 Lacs *<br><br>(*Data provided is for 3 Quarters only (Un-audited).)<br><br>2009-10-Rs.148.48 Lacs (Audited)<br><br>2008-09 – Rs. 96.65 Lacs (Audited)<br><br>2007-08 – Rs. 71.76 Lacs (Audited) |
| 3.     | Networth                                  | Net worth of the Company as on 31.03.2010 is 30.18 Crores.  |
| 4.     | Market capitalization                     | Rs.12,44,81,000 (12448100*10)   |
| 5.     | Non-promoter shareholding                 | Non promoter holding is 52.47% as on 31.12.2010   |
| 6.     | Listed on stock exchanges                 | The securities of the company are listed on Bangalore Stock Exchange and Hyderabad Stock Exchange Limited (derecognized by SEBI)  |

For ACS INFOTECH LIMITED

  
Managing Director



## AG'S Infotech Limited

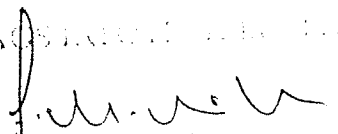
|    |                                   |  |
|----|-----------------------------------|--|
| 7. | Compulsory Demat Segment and ISIN | The Company has been permitted to trade under compulsory Demat segment.(Trade for trade settlement window basis)<br><br>The Company has signed agreements with NSDL and CDSL (ISIN No. INE966E01016) |
|----|-----------------------------------|--|

#### 4. SHAREHOLDING PATTERN AS ON 31.12.2010

| Sl. No.        | Category                   | No. of Shares   | % Of Shares   |
|----------------|----------------------------|-----------------|---------------|
| <b>(A) (1)</b> | <b>Indian Promoters</b>    | 5916000         | 47.53         |
|                | Foreign Promoters          | 0               | 0             |
|                | Others                     | 0               | 0             |
|                | Sub-Total (A)(1)           | 5916000         | 47.53         |
| <b>(B) (1)</b> | <b>Non-promoters</b>       |                 |               |
|                | Institutional Investors    | 0               | 0             |
|                | Sub-Total (B)(1)           | 0               | 0             |
| <b>(B) (2)</b> | <b>Public Shareholding</b> |                 |               |
|                | Bodies corporate           | 500000          | 4.02          |
|                | Indian public              | 6032100         | 48.45         |
|                | NRIs/ OCB's                | 0               | 0             |
|                | others                     | 0               | 0             |
|                | Sub-Total                  | 6532100         | 52.47         |
|                | <b>Grand Total (A+B)</b>   | <b>12448100</b> | <b>100.00</b> |

**5. DIVIDEND TRACK RECORD:** The Company has not paid any dividend for the last three financial years i.e., 2007-08, 2008-09 and 2009-10.

For AG'S Infotech Limited

  
Managing Director



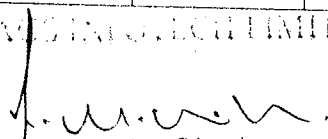


## 6. FINANCIAL PERFORMANCE *ACS Infotech Limited*

### Key Financial Indicators for Last 3 Years

| <b>Profit &amp; Loss Account</b>       |  | <b>As at 31<sup>st</sup> March Year endings.</b> |                      |                      |  |
|--|--|--|----------------------|----------------------|--|
|  |  | <b>(RS.)</b>                                     |                      |                      |  |
| Particulars                            | 2010-11<br>(unaudited)<br>(9 months)<br>Up to<br>31.12.2010. | 2009-10<br>(Audited)                             | 2008-09<br>(Audited) | 2007-08<br>(Audited) |  |
| Sales / Revenue                        | 332771400  | 297458540  | 157382910            | 100258700            |  |
| Other Income                           | -----  | -----  | -----                | -----                |  |
| Total Income                           | 332771400  | 297458540  | 157382910            | 100258700            |  |
| Total Expenditure                      | 290414250  | 272566303  | 145034983            | 90687484             |  |
| Net Profit before Tax                  | 42357150   | 24892237   | 12347927             | 9571216              |  |
| Net profit after Tax                   | 28379150   | 14848291   | 9664592              | 7176331              |  |
| Adjusted Net Profit after Tax          | 28379150   | 14848291   | 9664592              | 7176331              |  |
| <b>Assets &amp; Liabilities</b>        |  |  |                      |                      |  |
| Total Fixed Assets(Net Block)          | 411954739  | 358221513  | 17767743             | 11183779             |  |
| Investments                            | 20400000   | 20400000   |                      |                      |  |
| Total Current Assets, Loans & Advances | 150868588  | 130059128  | 52131844             | 47926723             |  |
| Total Liabilities                      | 583223327  | 508680641  | 69899588             | 59110502             |  |
| Equity Share Capital                   | 124481000  | 124481000  | 54481000             | 54481000             |  |
| Reserves & Surplus                     | 125333506  | 96954356   | 12106066             | 2441474              |  |
| Performance Ratios                     | 12.73  | 8.37   | 7.85                 | 9.54                 |  |

FOR ACS INFOTECH LIMITED

  
Managing Director



## AGS Infotech Limited

|                          |      |      |      |      |
|--------------------------|------|------|------|------|
| Earnings per Share (Rs)  | 0.23 | 2.72 | 1.77 | 1.32 |
| Book Value per Share(Rs) | 10   | 10   | 10   | 10   |

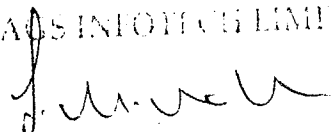
### 7. Un-audited / Audited Results: Snap shot of quarterly results for last 4 qtrs. (Rupees in Lakhs)

| Particulars                   | Qtr. ended<br>31.12.2010<br>(Un-audited) | Qtr. ended<br>30.09.2010<br>(Un-audited) | Qtr. ended<br>30.06.2010<br>(Un-audited) | Qtr. ended<br>31.03.2010<br>(Un-audited) |
|-------------------------------|--|--|--|--|
| <b>Sales and other income</b> | 1231.40                                  | 1138.64                                  | 907.67                                   | 1041.10                                  |
| <b>Total Expenditure</b>      | 1038.37                                  | 999.44                                   | 816.33                                   | 972.71                                   |
| <b>Profit After Tax</b>       | 122.41                                   | 100.46                                   | 60.92                                    | 48.24                                    |
| <b>Equity (paid up)</b>       | 1244.81                                  | 1244.81                                  | 1244.81                                  | 1244.81                                  |
| <b>Dividend</b>               | Nil                                      | Nil                                      | Nil                                      | Nil                                      |
| <b>EPS Rs.</b>                | 0.10                                     | 0.08                                     | 0.05                                     | 0.64                                     |

### 8. BOARD OF DIRECTORS AND MANAGEMENT

| Sl. No. | Name                    | Designation       |
|---------|-------------------------|-------------------|
| 1.      | Mr. M. Manivannan       | Managing Director |
| 2.      | Mr. S. Nagaraju         | Director          |
| 3.      | Mr. G. Dhananjaya Reddy | Director          |
| 4.      | Mr. S.Sudheer           | Director          |
| 5.      | Mr. R.Venkatesh         | Director          |
| 6.      | Mrs. B.S.Padmavati      | Director          |
| 7.      | Ms. Suhasini Ashok      | Company Secretary |

For AGS INFOTECH LIMITED

  
Managing Director



## *AGS Infotech Limited* BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

AGS Infotech Limited is managed by a well experienced team that has hands on expertise in Software, Hardware, embedded systems, Electronics , Communications, Media, Marketing, Finance, Legal & Compliances and in various other arenas of business. The Board of Directors for AGS comprises of the following:

### **Details of Directors and key Managerial personnel:**

1. **M. Manivannan**, aged 35 years is the Managing Directors of AGS Infotech Limited. He holds a Mechanical Engineering Degree from Bangalore University. He has a vast experience in IT Industry. He has handled lots of big projects successfully in banking retail sector and thoroughly engaged in Research & development division. He is extremely popular in banking security sector and is known internationally for his work on the same.
2. **S. Nagaraju**, aged 41 years, has a total of over two decades of experience in Finance and Administration. He has held senior management positions in various organizations. He has completed his Masters degree in Commerce and a Diploma in Computer-Financial Accounts. He has turned AGS Infotech into a global technology company, servicing a large number of customers. He has a deep understanding of global business issues. His major achievements have been in the areas of corporate planning and administration.
3. **S.Sudheer**, aged 50 Years is one of the Directors of AGS Infotech Limited. He is a result-oriented & dynamic professional. He joined AGS Infotech Limited in the year 2009. As the Director, he played a strategic role in transforming AGS into one of the most respected and widely known companies. He has over 30 years of immense experience in field of Finance & business. He was in the senior management of various listed companies. Sudheer holds a postgraduate degree in commerce from the University of Kerala and has a Postgraduate Diploma in Management from the Indianapolis University.
4. **R.Venkatesh** aged about 35 years is one of the Directors of AGS Infotech Limited who has vast experience in administration of organization and monitoring of Finances of the Company. He has over 15 years of experience in public sector and IT companies where he has held leadership positions in corporate strategy, growth, and ongoing operations. As a Director, Venkatesh's mandate is to drive organization growth, implement new business strategies, make AGS a successful and trusted brand as well a preferred vendor of choice for its customers. Venkatesh has a proven track record of building companies from ground up and attaining extraordinary results.
5. **Mr. Dinesh Kavoov**, has a vast experience in IT Industry. He has a reputed name in the IT Industry. He has been associated with big groups like Wipro, Dharma, Venture Softech etc. He was the key team member for implementation of Indian Railways RDBMS project. He has delivered lots of big projects successfully. He is extremely good in implementing quality procedures.

Managing Director



## *AGS Infotech Limited*

6. **G. Dhananjaya Reddy**, aged 42 Years is one of the Director of M/s. AGS Infotech Limited. GDR has over 25 years of experience. This enterprising entrepreneur has achieved much in a very short span in the fields of software and multimedia.
7. **Mr. Muthu Shunmugam** has ample experience in the field of Embedded, IT Engineering, Program and Project management and has built highly proficient and effectual software products for many IT Services and Research organizations. As Head - Embedded, his role is to assure the successful execution of the company's business mission through development and deployment of state-of-the-art technology directions. He evaluates and identifies technology trends and platforms that may support or impede the success of business and leads strategic planning to achieve business goals; by establishing governance processes of direction and control to ensure that objectives are achieved, risks are managed appropriately and the organization's resources are used responsibly. Mr. Muthu Shunmugam holds an Engineering Degree from Manonmanium Sundaranar University in Electrical & Electronics Engineering.
8. **Ms. Suhasini Ashok**, aged 29 years with a total work experience of 6 years in Compliances, Secretarial, legal, listing, Audit and Inspection departments and she has joined AGS Infotech Limited as Company Secretary earlier associated with Bangalore Stock Exchange Limited, and Hyderabad stock Exchange where she was holding the position of Company Secretary, Compliance officer and In Charge of Membership Department. She has completed her Masters in Commerce from Osmania University and Masters in Law (Mercantile Law) from University College of Law, Osmania University. She is a member of The Institute of Company Secretaries of India, New Delhi.
9. **Mr. Gururaj K S**, has over 14 years of experience in Business Development, M&A, Resourcing and Vendor Management. He has done his graduation in Computer Application and his post-graduation in Business Administration. He is holding the position of Assistant General Manager - Business Development with AGS Infotech Limited. He manages all Business Development activities, Strategic planning, Client Relation and Retention and Recruiting.
10. **Mr. Rajendra Dishri** has joined AGS Infotech Limited as Delivery Head. He has a successful track record of execution of large projects in different domain such, Automobile component Manufacturing, Retail, Distribution, Finance and Taxation, E-Government (Smart Card & RFID) and E-Security. Dishri did his post-graduation from Utkal University. Before joining AGS, he was associated with e-Xseed Technologies & Devices.
11. **Mr. Manjunath H** is working with AGS Infotech Limited as Deputy Manager - Finance and Accounts. A graduate in commerce, his illustrious career has spanned over 15 years in the Finance and Accounts. He started his career in 1998 with Shenoy & Kamath, a leading audit firm and in 2001 moved to Cranes Software International Limited where he worked in various capacities to reach

For AGS INFOTECH LIMITED

  
Managing Director



## *AGS Infotech Limited*

the position of Manager - Finance & Accounts. His career has encompassed a wide-ranging variety of roles related to the operations in Finance & Accounts. He has held several important positions during this period and has been exposed to every sphere of Finance, Accounts and Administration functions. He has attended a large number of training programmes and seminars.

### **Group Companies**

The Company does not have any subsidiary

**9. Other Group Companies :** Not Applicable

### **10. Status of Corporate Governance Compliance**

The company has complied with the provisions of corporate governance.

### **11. Outstanding Litigations and defaults of Promoters Directors or the other Group of Companies.**

The company does not have any outstanding Litigations and defaults of Promoters Directors.

### **Other Regulatory Disclosures:**

#### **1. BRIEF STATEMENT OF COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Board of Directors of the company believes in and fully supports the principles of Corporate Governance. While striving to achieve the financial targets, the company seeks to follow the business principles and ethics and in all its dealings. The company has been regularly implementing the best practices of corporate governance in order to attain total transparency, accountability and integrity.

#### **2. COMPOSITION AND CATEGORY OF DIRECTORS E.G.; EXECUTIVE NON-EXECUTIVE INDEPENDENT NOMINEE DIRECTOR ETC.:**

The Board of Directors consists of 4 independent and non-executive directors and 2 (two) executive directors. The composition and category of Directors is as follows:

For AGS INFOTECH LIMITED

  
Managing Director



## ACS Infotech Limited

| Sl. No. | NAME OF THE DIRECTORS   | CATEGORY                   |
|---------|-------------------------|----------------------------|
| 1       | Mr. M. Manivannan       | Non independent, Executive |
| 2       | Mr. G. Dhananjaya Reddy | Non Independent, Executive |
| 3       | Mr. S. Nagaraju         | Independent, Non-executive |
| 4       | Mrs .B. S. Padmavati    | Independent, Non-executive |
| 5       | Mr. R. Venkatesh        | Independent, Non-executive |
| 6       | Mr. S. Sudheer          | Independent, Non-executive |

### 3. AUDIT COMMITTEE:

The company constituted a Qualified and Independent Audit Committee comprises of three Directors of which two are Non-Executive independent directors and one Executive Director in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Sec. 292A of the Companies Act 1956.

Audit Committee consists 3 directors as mentioned below:

| SL. NO. | NAME OF THE DIRECTOR |          |
|---------|----------------------|----------|
| 1.      | Mr. S.Nagaraju       | Chairman |
| 2.      | Mr. R.Venkatesh      | Member   |
| 3.      | Mr.S.Sudheer         | Member   |

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained in clause 49 of the Listing Agreement and section 292A of the Companies Act 1956 briefly as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment of External auditors and Internal Auditors fixation of their fees and approval for payment for any other services.
- Reviewing with management the Quarterly Half Yearly and 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

  
Managing Director



## *AGS Infotech Limited*

(iv) significant adjustments arising out of audit (v) the going concern assumption; (vi) compliance with accounting standards (vii) compliance with stock exchanges and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the Company of material nature with promoters or the management or relatives etc. that may have potential conflict with the interest of the Company.

- (d) Reviewing with the management external and internal auditors the adequacy and compliance of internal control systems.
- (e) Reviewing the adequacy of internal audit functions.
- (f) Discussion with internal auditors any significant findings and follow-up there of.
- (g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- (h) Discussions with external auditors before the audit commence nature and scope of audit as well as have post-audit discussion to ascertain any area concern.

#### **4. REMUNERATION COMMITTEE:**

The Remuneration Committee is vested with the power to recommend and review remunerations of the executive and non-executive directors of the company. The committee consists of the following directors.

| SL. NO. | NAME OF THE DIRECTOR |          |
|---------|----------------------|----------|
| 1.      | Mr. S.Nagaraju       | Chairman |
| 2.      | Mr. R.Venkatesh      | Member   |
| 3.      | Mrs. B.S.Padmavati   | Member   |

#### **5. SHARE HOLDER'S GRIEVANCE COMMITTEE:**

The Shareholder's Grievance Committee comprises of

- 1. Mr. S.Nagaraju
- 2. Mr. R.Venkatesh
- 3. Mr.G.Dhananjaya Reddy

For AGS INFOTECH LIMITED

  
Managing Director



## AGS Infotech Limited

The Committee specifically looks after the services of the Registrars and Share Transfer Agents and recommends measures for providing efficient services to investors and resolving investor's complaints in the shortest possible time.

### 6. ANNUAL GENERAL MEETING:

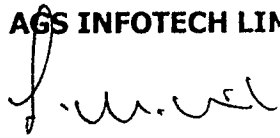
Location and time for last three Annual General Meetings were as follows

| AGM for the financial year ended | Location of holding AGM  | Date and Time of AGM                           |
|----------------------------------|--|--|
| 2009-2010                        | 3 <sup>rd</sup> Floor, 302, Sahithi Arcade, Behind Police Station, S.R.Nagar, Hyderabad-500038 | 30 <sup>th</sup> September, 2010 at 12.00 Noon |
| 2008-2009                        | 503, Harmony Heights, 7-1-67, D.K.Road, Ameerpet, Hyderabad-500016                             | 30 <sup>th</sup> September, 2009 at 10.30 A.M. |
| 2007-2008                        | 503, Harmony Heights, 7-1-67, D.K.Road, Ameerpet, Hyderabad-500016                             | 30 <sup>th</sup> September, 2008 at 10.30 A.M. |

### DECLARATION

NO STATEMENT MADE IN THIS INFORMATION MEMORANDUM SHALL CONTRAVENE ANY OF THE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER. ALL THE LEGAL REQUIREMENTS AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC., ISSUED BY BSE IN RESPECT OF LISTING OF SECURITIES HAVE BEEN DULY COMPLIED WITH.

Yours faithfully,  
For and on behalf of the Board of Directors of,  
**AGS INFOTECH LIMITED**

  
**M. Manivannan**  
Managing Director  
Place: Hyderabad



Date: 25.01.2011