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**ACI Infocom Limited**

203, SHAH & NAHAR INDLESTATE, DR.E.MOSES ROAD,  
WORLI NAKA, MUMBAI-400018 • Tele:022-66501904  
Website:www.aciinfo.com

**29<sup>th</sup> Annual Report  
2010 - 2011**

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**CHAIRMAN AND CHIEF EXECUTIVE OFFICER:** ALOK P.GUPTA

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

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

**BANKERS** ORIENTAL BANK OF COMMERCE

**REGISTERED OFFICE** 203, SHAH & NAHAR INDL.ESTATE,  
DR.E.MOSES ROAD,  
WORLI NAKA, MUMBAI-400018  
  
Tele:022-66501904  
Website:www.aciinfo.com

**DEPOSITORY REGISTRARS & SHARE TRANSFER AGENTS** M/s. SYSTEM SUPPORT SERVICES,  
209, SHIVAI INDUSTRIAL ESTATE,  
89. ANDHERI KURLA ROAD,  
SAKINAKA,ANDHERI (EAST),  
MUMBAI-400072.  
  
Tele:022-28500835  
Fax No:022-28501438  
Email:syss72@yahoo.com

**NOTICE**

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

**ORDINARY BUSINESS**

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

**SPECIAL BUSINESS**

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

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

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

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

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

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

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

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

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

**Alok P. Gupta**  
Chairman & Managing Director

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

**NOTES**

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



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

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

**ITEM NO. 4 to 6**

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

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

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

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

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

**Alok P. Gupta**  
Chairman & Managing Director



**DIRECTORS' REPORT**

To  
The Members,

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

**FINANCIAL RESULTS** (Rs. in Lacs.)

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

**DIVIDEND**

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

**DIRECTORS**

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

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

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

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

**DIRECTORS RESPONSIBILITY STATEMENT.**

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

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



#### AUDITORS

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

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

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

#### DEPOSITS

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

#### PERSONNEL

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

#### CORPORATE GOVERNANCE

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

#### CEO'S DECLARATION

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

#### MANAGEMENT DISCUSSION & ANALYSIS (M D & A)

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

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

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

#### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

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

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



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

A. Conservation of energy: The Company uses electric energy for its equipment such as air conditioners, computer terminals, lighting and utilities in the work premises. All possible measures have been taken to conserve energy.

B. Technology Absorption: During the year your Company has not operated plants, therefore no technology absorption and research & development.

C. Foreign Exchange Earnings & Outgo (Rs. in Lacs)

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

#### ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

(Alok P. Gupta)  
Chairman

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



## CORPORATE GOVERNANCE REPORT

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

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

### BOARD OF DIRECTORS;

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

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

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

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

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

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

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

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

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



### AUDIT COMMITTEE

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

#### a) Brief Description of Terms of reference:

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

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

#### b) Composition, Name of Members and Chairperson

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

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

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

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

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

### REMUNERATION COMMITTEE

#### a) Brief Description of terms of reference:

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

#### b) Composition, name of members and Chairperson:

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

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

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

#### d) Remuneration Policy

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

#### e) Detail of Remuneration of the Director.

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

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

### SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

#### a) Terms of reference:

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

#### b) Composition, name of members and Chairperson:

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



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

- c) Name and Designation of Compliance Officer : Mr. Vinod Jhawar is the Compliance Officer of the Company.
- d) No. of shareholder's complaints received during the year 2010-2011  
During the year 2010-11 there were no complaints/ letters were received from the investors and all were disposed off during the year.
- e) No. of complaints not solved to the satisfaction of the shareholders:  
There was no complaint that was not solved to the satisfaction of the shareholders.
- f) No. of pending share transfers : NIL

#### GENERAL BODY MEETING

- a) Details of last three Annual General Meetings: The following information gives the details of date, time and place of last three Annual General Meetings.

F. Y.	LOCATION	DATE OF AGM	TIME OF AGM HELD
2009-2010	218, Vasan Udyog Bhavan, Senapati Bapat Marg, Opp. High Street Phoenix, Lower Parel (W), Mumbai 400 013	21-09-2010	10.30 A. M.
2008-2009	218, Vasan Udyog Bhavan, Senapati Bapat Marg, Opp. High Street Phoenix, Lower Parel (W), Mumbai 400 013	30-09-2009	10.30 A. M.
2007-2008	218, Vasan Udyog Bhavan, Senapati Bapat Marg, Opp. High Street Phoenix, Lower Parel (W), Mumbai 400 013	29-11-2008	10.30 A. M.

- b) Whether any Special Resolution passed through Postal Ballot during the year.
- c) Whether any Special Resolution proposed to be passed through Postal Ballot  
Yes the Company has passed the following Resolutions
- I. 13-12-2010.**
- Alteration of Memorandum of Association by adding Clause No. 67 and 68 after Clause 66 in other Objects of Memorandum of Association.
  - Commencement of New business
  - Preferential Issue of 30,00,000 Equity Shares.

All the above resolutions were special resolutions and passed with requisite majority.

**II. 30-03-2011**

- Hiving off certain business of the Company.

The above resolution was Ordinary resolution and passed with requisite majority.

The Company has complied with the Postal Ballot rules in respect of passing of above resolutions.



#### DISCLOSURES

- The Company has disclosed related party transaction with Key Management Personnel of Notes to Accounts. None of the transactions with any of the related parties was in conflict with the interests of the Company.
- There have been no non-compliances by the Company of the regulations imposed by the Stock Exchange or SEBI or any other statutory authority or on any matter related to Capital Markets during the last 3 years.

#### MEANS OF COMMUNICATIONS

- Financial results of the Company (Quarterly, Half-Yearly and Annual) have been approved by the Board and intimated to the Stock Exchanges and are published in Business Standard and Mahanayak.
- Management Discussion and Analysis Report forms part of the Annual Report.

#### GENERAL SHAREHOLDER INFORMATION

**a) Date, Time and Venue of the Present Annual General Meeting.**

On Friday 23rd September, 2011 at 10.30 a. m. at Registered Office at 203, Shah & Nahar Estate, Dr. E.Moses Rd, Worli Naka, Mumbai 400 018.

**b) Financial Calendar Quarter ending on**

**Reporting on**

30th June, 2010	Last Week of July, 2010 (Completed)
30th September, 2010	Last Week of October, 2010 (Completed)
31st December, 2010	Last Week of January, 2011 (Completed)
31st March, 2011	First Week of June, 2011 (Audited)

- c) Dates of Book Closure:** Friday, 16th September, 2011 to Friday, 23rd September, 2011 (Both Days Inclusive)

- d) Listing on Stock Exchange:** The Bombay Stock Exchange Ltd. (BSE)

- e) Stock Code at Bombay Stock Exchange:** 517356

- f) Market Price Data :** High/Low during each month in last financial year

The following are the monthly high and low quotations during the financial year ending 31st March, 2011.

Month	High Rate	Low Rate
April 2010	40.20	28.10
May 2010	31.85	22.65
June 2010	27.55	21.15
July 2010	31.70	26.25
August 2010	29.95	23.80
September 2010	28.00	23.60
October 2010	28.40	23.50
November 2010	28.90	21.05
December 2010	40.90	19.75
January 2011	40.00	30.00
February 2011	37.00	23.40
March 2011	35.00	27.10



g) **Registrar and Share Transfer Agents:** M/s. System Support Services, 209, Shivai Industrial Estate, 89, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400072.

**h) Share Transfer System**

The Company's Share Transfers are taken care by M/s. System Support Services, Registrar and Transfer Agents appointed by the Company. Transfers which are received in Physical Form are processed and the share certificates are returned within a period of 30 days from the date of receipt, subject to documents being valid and complete in all respects.

**i) Distribution of Shareholding**

Distribution of Shareholding as on 31st March, 2011.

Sr. No.	Category		No. of	Percentage of	No. of Equity	Percentage of
			Shareholders	Shareholders	Shares	Shareholding
1	1	5000	2469	78.957	384299	3.478
2	5001	10000	157	5.021	129029	1.168
3	10001	20000	80	2.558	124261	1.125
4	20001	30000	40	1.279	105957	0.959
5	30001	40000	22	0.704	80225	0.726
6	40001	50000	56	1.791	274663	2.486
7	50001	100000	125	3.997	1022437	9.254
8	100001	Above	178	5.692	8928219	80.805
	TOTAL	3127	100.00	11049090	100.00	

Note: The Foreign Shareholding of the Company as on 31st March, 2011 is NIL shares aggregating to NIL% of total shareholding of the Company.

**j) Dematerialisation of Shares**

The Company Shares are available for holding/transfer in depository system of both Central Depository Services (India) Limited and National Security Depository Limited. The members have the option of holding the shares in physical or dematerialized form. The processing activities with respect to the requests received for dematerialization are generally completed within 15 days from the date of receipt of the request.

The International Securities Information Number (ISIN) allotted for the Company by NSDL and CDSL is ISIN INE167B01017. If a member wants his shares to be dematerialized, he may send the shares along with the request through his Depository Participant to the M/s. System Support Services, Registrar and Share Transfer Agent.

As on 31st March, 2011, total number of 9809450 shares of the Company stand dematerialized. This comprises 88.781 % of the Share Capital of the Company.

**k) Address for Correspondence**

- a) For any query in Demat Shares: To the Depository Participant and Demat Registrar
- b) For any query in Physical Shares: To the Share Transfer Agents
- c) For any other queries: Registered Office



**CERTIFICATE**

We have examined the compliance of conditions of Corporate Governance by ACI Infocom Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

- i) We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
- ii) We state that no Investor Grievance is pending for a period exceeding one month against the Company as per the records, maintained by the Shareholders and Investor's Grievance Committee and
- iii) We further state that such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with the Management has conducted the affairs of the Company.

**For: M/s. M.V. KRISHNAMOORTHY,  
Chartered Accountants**

( \_\_\_\_\_ )

PROPRIETOR  
MEMBERSHIP NO: 05859

Place : Mumbai  
Date : 4th June, 2011



### AUDITORS' REPORT

TO  
THE MEMBERS OF ACI INFOCOM LIMITED.

1. We have audited the attached Balance Sheet of ACI INFOCOM LIMITED, as at 31st March 2011 & also the related Profit & Loss Account and cash flow statement for the period ended on that date. 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.
2. 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 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 the management as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors' Report) (Amendment) Order, 2004 (together 'the order') issued by the Central Government in terms of subsection (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:

- a) We have obtained all the information & explanation, 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 so far as appears from our examination of those books;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- e) On the basis of written representation received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, none of the Directors of the Company is disqualified as on 31st March 2011 from being appointed as Director of the Company under clause (g) of sub-section (1) of section 274 of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements together with the notes thereon give in the prescribed manner the information required by the Act, and gives 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, 2011;
  - ii. In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
  - iii. In the case of the Cash Flow Statement of the Cash Flow of the Company for the year ended on that date.

For and on behalf of  
**M V KRISHNAMOORTHY**  
Chartered Accountants

**M.V. Krishnamoorthy**  
Proprietor

Membership No: 05859  
Place: Mumbai  
Date: 4th June, 2011



### ANNEXURE TO AUDITORS' REPORT

[Referred to in Paragraph 3 of the Auditors' Report of even date to the members of ACI Infocom Limited on the Financial Statements for the year ended 31st March 2011.

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) Fixed assets are physically verified by the management which is designed to cover all locations, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, the management during the year physically verified the fixed assets at certain locations and no material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanation given to us, a substantial part of the fixed assets has been disposed off during the year on account of Slum Sale of the Divisions. However in our opinion this will not affect the going concern status of the Company.
2. (a) Inventory has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information & explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) According to the information and explanations given to us, the company is maintaining the register required under section 301 of the Act, and the same has been updated as per the requirements of clause (v) of paragraph 4 of the Order.

- (b) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under sec. 301 of the Act.
- (c) The company has not taken unsecured loans from the parties covered in the register maintained under sec. 301 of the Act.
- (d) Since the company has not taken loan from the parties covered in the register maintained u/s. 301 of the Act, this clause is not applicable to the company.
- (e) The rate of interest and other terms and conditions of loans taken by the company, secured or unsecured, are prima facie not prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, the company has an adequate internal control system commensurate with its size and nature of business for the purchase of inventory and fixed assets, and for the sale of goods and services.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred in section 301 of the Act have been entered into the register required to be maintained under that section.
  - (b) In our opinion and according to the information and explanation given to us, in respect of the transactions entered in the register maintained in pursuance of section 301 the Act during the year have been made at prices which are reasonable having regard to the prevailing market price, at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. According to the information and explanations given to us, the company is not required to maintain cost records under section 209(1)(d) of the Act.



9. (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Value added tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues, if any, applicable to it with the appropriate authorities.

(b) According to the information and explanation given to us, dues of sales tax /service tax/income tax/custom tax/wealth tax/excise duty/cess not deposited are not disputed dues.

10. The accumulated loss of the company at the end of the financial year are not more than fifty percent of its net worth. And also, the company has not incurred any cash losses during the financial year and immediately preceding financial year.

11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks or debenture holders at the balance sheet date.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of any special statute applicable to chit funds/nidhi/mutual benefit fund/societies are not applicable to the Company.

14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.

15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial Institution during the year.

16. In our opinion and according to the information and explanations given to us, the company has applied the term loans for the purpose of which it was obtained.

17. On the basis of overall examination of the Balance Sheet of the Company, in our opinion and according to information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term investments.

18. 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 during the year.

19. The Company has not issued any debentures during the year and accordingly, the creation of securities of charge thereof does not arise.

20. The Company has not raised any money by public issue during the year.

21. 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 and according to the information & explanation given to us, we have neither come across any instance material fraud on or by the company, noticed or reported during the year nor have we been informed of such case by the management.

For **M.V. Krishnamoorthy**  
Chartered Accountants

**M.V. Krishnamoorthy**  
Proprietor

Membership No: 05859  
Place: Mumbai  
Date: 4th June, 2011



**BALANCE SHEET AS AT 31st MARCH, 2011**

Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>SOURCES OF FUNDS</b>		
<b>a) SHAREHOLDERS FUNDS:</b>		
Share Capital	A 110,490,900	81,490,900
Reserves and Surplus	B 79,724,654	30,424,654
	<b>190,215,554</b>	<b>111,915,554</b>
<b>b) LOAN FUNDS:</b>		
Secured Loans	C -	8,632,506
Unsecured Loans	D 6,342,948	5,837,084
	<b>6,342,948</b>	<b>14,469,590</b>
<b>TOTAL</b>	<b>196,558,502</b>	<b>126,385,144</b>
<b>II) APPLICATION OF FUNDS</b>		
<b>a) FIXED ASSETS</b>		
Gross Block	E 164,000	75,594,761
Less: Depreciation	-	51,381,850
<b>NET BLOCK</b>	164,000	24,212,911
<b>b) INVESTMENTS</b>		
	F 58,900,000	1,847,260
<b>c) DEFERRED TAX ASSET</b>		
	1,635,754	1,635,754
<b>d) CURRENT ASSETS, LOANS AND ADVANCES</b>		
Inventories	G 23,750,000	5,820,721
Sundry Debtors	H 46,616,214	65,511,622
Cash and Bank	I 7,825,646	14,833,115
Loans and Advances	J 56,786,159	35,828,076
	<b>134,978,019</b>	<b>121,993,534</b>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>		
<b>a) CURRENT LIABILITIES</b>		
	41,289,362	62,426,419
<b>b) PROVISIONS</b>		
	1,030,243	4,242,991
<b>NET CURRENT ASSETS</b>	92,658,413	55,324,124
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)	L -	-
<b>PROFIT AND LOSS ACCOUNT</b>	43,200,335	43,365,095
<b>TOTAL</b>	<b>196,558,502</b>	<b>126,385,144</b>

**NOTES FORMING PART OF ACCOUNTS S**

Schedule A to L and S referred to above form an integral part of Balance Sheet. This is the Balance Sheet referred to in our report of even date.

For  
**M.V.KRISHNAMOORTHY**  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

**M.V.KRISHNAMOORTHY**  
PROPRIETOR  
M.NO. 05859

**ALOK P GUPTA**

**OM PRAKASH BOHRA**

**RAJESH SHAH**

Director

Director

Director

Place: Mumbai  
Date : 4th June, 2011



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>INCOME</b>			
Sales	M	137,023,278	244,751,533
Other Income	N	24,874,917	3,833,002
<b>TOTAL</b>		<b>161,898,195</b>	<b>248,584,535</b>
<b>EXPENDITURE</b>			
Cost of goods consumed / sold	O	134,519,052	189,058,832
Administration, Distribution & Other Expenses	P	17,481,022	42,098,929
Interest & Financial Charges	Q	2,663,952	4,352,550
		<b>154,664,026</b>	<b>235,510,311</b>
Profit before depreciation & Misc Items		<b>7,234,169</b>	<b>13,074,224</b>
Goodwill written off	R	2,655,008	2,655,013
Depreciation		4,376,902	4,407,556
Profit / (Loss) Before Tax		<b>202,259</b>	<b>6,011,656</b>
Provision for Fringe Benefit Tax			
Deferred Tax Asset		-	<b>1,635,754</b>
Provision for Income Tax		37,499	
Less: Prior period Adjustment		-	119,089
		<b>164,760</b>	<b>7,528,321</b>
<b>APPROPRIATIONS:</b>			
Surplus (Deficit) as per last year brought forward		(43,365,095)	(50,893,416)
Surplus (Deficit) brought down		164,760	7,528,321
<b>Balance Carried to Balance Sheet</b>		<b>(43,200,335)</b>	<b>(43,365,095)</b>
Number of Equity Shares of Rs.10/- each outstanding		11,049,090	8,149,090
Basic and Diluted earning per Share		0.01	0.92

**NOTES FORMING PART OF ACCOUNTS** **S**

Schedule M to S form an integral part of the Profit & Loss Account. This is the Profit and Loss Account referred to in our report of even date.

For  
M.V.KRISHNAMOORTHY  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

M.V.KRISHNAMOORTHY  
PROPRIETOR  
M.NO. 05859

ALOK P GUPTA

OM PRAKASH BOHRA RAJESH SHAH

Place: Mumbai  
Date : 4th June, 2011

Director

Director

Director



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011**

**SCHEDULE-A**

**SHARE CAPITAL**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Authorised Capital		
1,35,00,000 Equity Shares of Rs.10/- each	135,00,000	135,00,000
Issued & Subscribed:	110,490,900	81,490,900
11049090 Equity Shares of Rs.10/- each (Previous year 81,49,090 Equity Shares of Rs. 10/- Each) of the above includes :		
I) 24,32,290 Equity Shares have been Alloted as fully paid-up by way of Bonus Shares of the Company		
II) 1,60,000 Shares Alloted for Consideration other than Cash		
III) 35,88,300 Shares allotted to Shareholders of erstwhile ACI Computers (India) Limited under Scheme of Amalgamation Less: Call unpaid (on 23,200 Shares at Rs. 5/- each)		-
<b>TOTAL</b>	<b>110,490,900</b>	<b>81,490,900</b>

**SCHEDULE-B**

**RESERVES AND SURPLUS**

**SHARE PREMIUM ACCOUNT:**

Balance as per last	11,134,000		
Additions during the year	<u>49,300,000</u>	60,434,000	11,134,000
<b>GENERAL RESERVE</b>			
As per last account		19,290,654	19,290,654
<b>TOTAL</b>		<b>79,724,654</b>	<b>30,424,654</b>



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011**

**SCHEDULE-C**

**SECURED LOANS**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Cash Credit from Oriental Bank of Commerce (Secured against hypothecation of Goods & Book Debts and against collateral security guaranteed by the director and his relatives)	-	3,710,280
Term Loan from Oriental Bank of Commerce (hypothecation of all Furniture and Fixtures of the company existed at training centre, present and future computers, and office equipment for Avera Academy)	-	4,922,226
<b>TOTAL</b>	<b>-</b>	<b>8,632,506</b>

**SCHEDULE-D**

**UNSECURED LOANS**

	6,342,948	5,837,084
<b>TOTAL</b>	<b>6,342,948</b>	<b>5,837,084</b>



**ACI INFOCOM LTD**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2011**

**SCHEDULE - E**

**FIXED ASSETS**

PARTICULARS	RATE	AS AT 01.04.2010	GROSS BLOCK			DEPRECIATION			NET BLOCK		
			ADDITIONS	SALES/ADJ.	AS AT 31.03.2011	FOR THE YEAR	ADJ.	AS AT 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010	
			W/OFF								
GOODWILL		26,550,130	26,550,130	-	-	(23,895,122)				2,655,008	
LAND		164,000		164,000					164,000	164,000	
VEHICLES	9.5	1,462,529	1,462,529	-	-	(868,327)	138,940			733,142	
OFFICE EQUIPMENT	4.75	4,801,790	8,953	4,810,743	-	(2,388,937)	228,085			2,640,938	
FURNITURE & FIXTURE	6.33	19,826,806	-	19,826,806	-	(10,104,565)	1,255,037			10,977,278	
COMPUTERS	16.21	18,182,252	-	18,182,252	-	(18,182,252)	2,702,245			2,702,245	
COPY RIGHT & BRAND		3,500,000		3,500,000	-	-	-			3,500,000	
ELECTRICAL INSTALLATION	4.75	1,107,254	-	1,107,254	-	(319,549)	52,595			840,300	
<b>TOTAL</b>		<b>75,594,761</b>	<b>8,953</b>	<b>75,439,714</b>	<b>164,000</b>	<b>(55,758,752)</b>	<b>4,376,902</b>	<b>(55,758,752)</b>	<b>-</b>	<b>164,000</b>	<b>24,212,911</b>
PREVIOUS YEAR		76,407,270	821,991	1,634,500	75,594,761	44,798,772	4,407,556	2,200,317	51,381,850	24,212,911	31,608,499



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011**

**SCHEDULE-F**

**INVESTMENT**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
I) PDG Infotech Ltd. (At cost, unquoted) 94,140 Equity Shares of Rs.10/- each partly paid - up at Rs.9/- each	-	847,260
II) Sanjog Developers (Investment in Partnership firm)	58,900,000	-
lii) ACI Ecotech Pvt Ltd. 100000 Eq. shares of Rs. 10/- each.	-	1,000,000
<b>TOTAL</b>	<b>58,900,000</b>	<b>1,847,260</b>

**SCHEDULE-G**

**INVENTORIES**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
WIP REALTY	23,750,000	5,820,721
<b>TOTAL</b>	<b>23,750,000</b>	<b>5,820,721</b>

**SCHEDULE-H**

**SUNDRY DEBTORS**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
(Unsecured, Considerd Good)		
Debts outstanding more than six months	15,590,462	4,634,210
Other Debts - Considered Good	31,025,752	60,877,412
<b>TOTAL</b>	<b>46,616,214</b>	<b>65,511,622</b>



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011**

**SCHEDULE-I**

**CASH AND BANK BALANCES**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Cash on Hand	906,387	233,195
In Current Accounts	250,527	597,012
In Fixed Deposits Account	6,501,783	13,799,411
Interest accrued but not due	166,949	203,497
<b>TOTAL</b>	<b>7,825,646</b>	<b>14,833,115</b>

**SCHEDULE-J**

**LOANS AND ADVANCES**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
(Unsecured, considered good)		
Advance Recoverable in cash or kind or for Value to be Received	55,364,026	32,528,778
Prepaid Taxes	1,422,133	816,100
Deposits with Government Bodies and others	-	2,483,198
<b>TOTAL</b>	<b>56,786,159</b>	<b>35,828,076</b>

**SCHEDULE-K**

**CURRENT LIABILITIES & PROVISIONS**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
For Goods and Services	41,289,362	62,426,419
<b>PROVISIONS</b>		
Provision for Expenses	213,434	946,265
Provision for Statutory Dues	816,809	3,296,726
<b>TOTAL</b>	<b>42,319,605</b>	<b>66,669,410</b>

**SCHEDULE-L**

**MISCELLANEOUS EXPENDITURE**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
(To the extent not written off)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>



**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT AS AT 31st MARCH 2011**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>SCHEDULE-M</b>		
<b>SALES</b>		
Domestic	137,023,278	244,751,533
<b>TOTAL</b>	<b>137,023,278</b>	<b>244,751,533</b>
<b>SCHEDULE-N</b>		
<b>OTHER INCOME</b>		
Miscellaneous Receipts	551,849	19,917
Interest on FD	561,050	1,455,177
Profit on Sale of shares	94,140	
License Fees - Franchise	156,520	200,000
Sundry Balance W/off	-	
Professional Fees Received	1,093,971	
Interest on Loan	1,328,055	
Profit on Slum Sale	20,541,045	
Sundry Balances W/Back	548,287	
Surrender of LIC Policy	-	702,175
Sales Incentives	-	1,455,733
<b>TOTAL</b>	<b>24,874,917</b>	<b>3,833,002</b>
<b>SCHEDULE-O</b>		
<b>COST OF GOODS SOLD</b>		
Opening Stock	5,820,721	37,977,369
Add: Purchases	128,698,331	156,902,184
Less: Closing Stock	-	5,820,721
<b>TOTAL</b>	<b>134,519,052</b>	<b>189,058,832</b>



**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT AS AT 31st MARCH 2011**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>SCHEDULE-P</b>		
<b>EXPENSES</b>		
Employees remuneration and benefits	7,550,372	11,348,306
Travelling Expenses	1,001,234	1,962,410
Communication Expenses	695,887	654,931
Legal & Professional Charges	537,895	725,689
Selling & Distribution Expenses	2,086,716	6,622,938
Rates & Taxes	2,000	26,210
Electricity Charges	673,560	1,232,944
Staffwelfare	88,464	178,890
Printing & Stationery	230,839	1,099,555
Vehicle Expenses	214,751	280,861
Office Maintenance	163,748	97,809
Share Transfer Charges	49,759	28,872
Directors Remuneration	10,500	6,000
Miscellaneous Expenses	426,233	1,083,300
Administrative Expenses	247,003	1,600,661
Rent	3,452,062	7,361,242
Audit Remuneration	50,000	50,000
Sundry Balances W/Off	-	10,937,249
<b>TOTAL</b>	<b>17,481,022</b>	<b>45,297,867</b>
<b>SCHEDULE-Q</b>		
<b>INTEREST &amp; FINANCIAL CHARGES</b>		
On Working Capital (Net)	2,663,952	4,350,865
On Vehicle Loan	-	1,685
<b>TOTAL</b>	<b>2,663,952</b>	<b>4,352,550</b>
<b>SCHEDULE-R</b>		
<b>GOODWILL WRITTEN OFF</b>		
Goodwill - 1/10 for the year	2,655,008	2,655,013
<b>TOTAL</b>	<b>2,655,008</b>	<b>2,655,013</b>



**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE – S**

**NOTES ON ACCOUNTS**

**I. SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of preparation of financial statements**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on an accrual basis and are in conformity with mandatory accounting standards, as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

**b. Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

**c. Fixed Assets and Intangible Assets**

Fixed assets and intangible assets are stated at cost of acquisition less accumulated depreciation and impairment. Cost includes taxes, duties, freight and other incidental expense related to acquisition and installation. Expenditure for additional improvements is capitalized. When assets are sold or discarded, their cost and accumulated depreciation are included in the profit & loss account.

**d. Depreciation and Amortization**

Depreciation on fixed asset has been provided on the straight-line method as per the rates prescribed under schedule XIV of the Companies Act, 1956. However assets costing less than Rs. 5,000 each are fully depreciated in the year of purchase. For Assets acquired on 31.03.2011, depreciation will be provided from next financial year 2011-12.

**e. Foreign exchange transactions**

Transactions in foreign currencies are recorded at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the profit and loss account.

Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates and resultant exchange differences are recognised in the profit and loss account.

**f. Inventories**

Inventories are valued at cost or net realizable value whichever is lower.

**g. Gratuity**

The liability for Gratuity has not been provided, since there were no eligible employees for Gratuity as at the end of financial year.

**h. Leave Encashment**

Payment on account of leave encashment is not accruable at the end of the financial year as leave get lapsed on the last day of the fiscal year as per company's circular issued to its employees.



**i. Miscellaneous Expenditure (To the extent written off)**

Goodwill on arising on amalgamation being written off over a period of ten years.

Preliminary expenses and capital issue expenses are being written off over a period of five and ten years respectively.

**j. Investments**

Long-term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognise a decline, other than temporary.

**k. Revenue Recognition**

Revenue from the sale of goods is recognized upon passage of title to the customer, which generally coincides with their delivery. Sales are recorded net of trade discounts, rebates, and sales taxes but includes excise duty, where applicable.

**l. Income Tax**

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

**m. Impairment**

The Company reviews the carrying value of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

**n. Contingent liabilities**

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non -occurrence of one or more uncertain future events not wholly within control of the Company. A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation at the year end date. Contingent assets are not recognized or disclosed in the financial statements.

**o. Segment Reporting**

Segments have been identified having regard to the dominant source and nature of risks and returns and the internal organisation and management structure. Inter-segment revenue is accounted on the basis of market price. Unallocated corporate expenses include revenue and expenses which relate to the enterprise as a whole and are not attributable to segments.

**II OTHER NOTES**

1. Contingent liabilities not provided for in the accounts, as certified by the management.
2. Letters of credit issued by the banks on behalf of the company Rs.388.49 Lacs (Previous year Rs.518.25 Lacs)
3. Balances are relied upon as per books wherever the confirmations from debtors/creditors are not available.
4. Interest is net off of interest received on Fixed Deposits kept with the bank against margin money towards letters of credit/ bank guarantee Rs. 26.64 lacs.(Previous year Rs.43.52 lacs).

## 5. Related Party Disclosures:

Name of Related Party	Relationship	Nature of Transaction	Transaction Value	Balance Outstanding Payable as Balance sheet Date
ALOK GUPTA	Director	Remuneration	12.00 Lac	NIL
ABHIJIT A GUPTA.	Son of a Director	Remuneration	5.94 Lac	NIL

6. As certified by the management, there are no dues outstanding to any Micro Small and Enterprises as at the end of the year.

7. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 8. DEFERRED TAXASSET :

	2010-11	2009-10
Deferred tax asset on account of Depreciation	0	16,35,754

9. Inventory has been valued by the company at cost or market values whichever is lower on the basis of Valuation Report prepared by a Chartered Engineer and the same has been accepted by the auditors in view of the technical nature of the products.

Earning per share	2010-11	2009-10
Profit / (Loss) after tax and exceptional items (Rs. In Lacs)	1.65	75.28
Weighted average number of equity shares used for calculating basic earnings per share	11049090	8149090
Weighted average number of equity shares used for calculating diluted earnings per share	11049090	8149090
Face value of Equity Shares (Rs.)	10	10
Earning per share- Basic & Diluted (Rs.)	0.01	0.92

11. Cash Balance as at end of financial year has been verified and certified by the management of the Company and the auditors has relied upon the same.

12. In the Opinion of the Board of Directors, the Current assets, loans & advances are stated at net realizable value.

13. Auditor's Remuneration is towards Statutory Audit Fees of Rs.50000/- . (Previous Year Rs.50000/-).

14. The Company is required to appoint a whole time company secretary as per section 383A of the Companies Act, 1956. The Company is in the process of appointment of company secretary.

15. Additional information pursuant to the provisions of Par 2,4 (c) & (d) have Para ii of schedule VI of the Companies Act, 1956.

Opening Stock of Finished Goods And Work in Progress Finished		2010-2011		2009-2010	
Finished Goods	Units	Qty.	Value (in Lacs)	Qty.	Value (in Lacs)
Systems – Trading	Nos.				
Hard Disk Drives	Nos.	0	0	5157	194.20
Internet Security	Nos.	31837	34.29	35415	64.34
Prepaid SIM Card		15	0.04		
Wowtel	Nos.	5669	7.87		
Notebook	Nos.	0	0	106	4.70
Handset	Nos.	0	0	321	16.81
USB Products			0		63.89
Others			16.00		35.83

Opening Stock of Finished Goods And Work in Progress Finished		2010-2011		2009-2010	
Finished Goods	Units	Qty.	Value (in Lacs)	Qty.	Value (in Lacs)
Hard Disk Drives.	Nos.				
Notebook	Nos.				
USB Products					
Handset	Nos.				
Internet Security	Nos.	0	0	31837	34.29
Prepaid SIM Card				15	0.04
Wowtel	Nos.	0	0	5669	7.87
Others			237.50		16.00

Particulars of Sales		2010-2011		2009-2010	
	Units	Qty.	Value (in Lacs)	Qty.	Value (in Lacs)
Telecom	Nos.	0	38.27	0	10.76
Internet Security	Nos		131.44	184911	400.72
Metals	M.Tons		1157.52	2695.2	1247.34
Others			43.00		808.66

(a) Expenditure incurred in Foreign Currency:	RS.(IN LACS)	RS.(IN LACS)
Travelling	6.21	8.04
Sales Promotion	-	-
Import Purchase	-	-
(b) Earnings in foreign exchange	-	-

16. There was no employee who was in receipt of or was entitled to receive emoluments amounting to the aggregate of Rs.24 lakhs (Previous year of Rs.24 lakhs) or more per annum if employed throughout the year or Rs.2 lakhs or more per month if employed for part of the year.

17. Previous year figures have been regrouped/ rearranged wherever necessary.

For  
M.V.KRISHNAMOORTHY  
CHARTERED ACCOUNTANTS

M.V.KRISHNAMOORTHY  
PROPRIETOR  
M.NO. 05859  
Place: Mumbai

ALOK P GUPTA

Director

For and on behalf of the Board

OM PRAKASH BOHRA

Director

RAJESH SHAH

Director



### Balance Sheet Abstract and Company's General Business Profile

<b>I Registration Details:</b>			
Registration No:	175476		
Balance Sheet Date:	31-03-2011	State Code:	11
<b>II Capital Raised during the Year (Rs.in Lakhs)</b>			
Public Issue:			
Bonus Issue:			
Private Placement:	290		
Right Issue:			
<b>III Position of Mobilisation and Deployment of Funds. (Rs.in Thousands)</b>			
Total Liabilities:	196558.5	Total Assets:	196558.5
<b>Sources of Funds</b>		<b>Application of Funds</b>	
Paid up Capital	110490.9	Net Fixed Assets	164
Reserves & Surplus	79724.65	Investments	58900
Secured Loans	0	Net Current Assets	92658.41
Unsecured Loans	6342.948	Deferred Tax Asset	1635.754
		Profit & Loss Account	43200.34
<b>IV Performance of the Company (Rs.in Thousands)</b>			
Total Turnover/Income	161898.20		
Total Expenditure	161695.94		
Profit/(Loss)Before Tax	202.26		
Provision for Taxation	37.499		
Profit/(Loss)After Tax	164.76		
Earning Per Share(Rs.)	0		
Dividend Rate(Equity)	0		
<b>V Generic Name of three Principal Products of the Company (As per Monetary Terms)</b>			
Item Code No.			
(ITC Code)	8471410		
<b>Product Description:</b>	<b>IT Products, Telecom Products.</b>		

For and on Behalf of the Board

Director Director

Place: Mumbai  
Date: 4th June,2011



### Cash Flow Statement For The Year Ended March 31, 2011

PARTICULARS	For the year ended March 31, 2011 (Rs. In Lacs)	For the year ended March 31, 2010 (Rs. In Lacs)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAXATION AS PER PROFIT AND LOSS ACCOUNT</b>	202,259	5,892,567
Adjustments for :		
Depreciation	4,376,902	4,407,556
Goodwill written off	2,655,008	2,655,013
Interest expenses	2,663,952	4,352,550
Profit on sale of shares	(94,140)	-
Profit on slump sale	(20,541,045)	-
Interest income	(1,889,105)	(1,455,177)
Loss on sale of Fixed Assets	-	467,093
Sundry balance written back	(548,287)	(3,198,938)
Misc Expenses W/off	-	7,063,257
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(13,174,455)</b>	<b>20,183,920</b>
Adjustments for :		
(Increase)/decrease in inventories	(17,929,279)	32,138,311
(Increase)/decrease in debtors	18,895,408	82,067,152
(Increase)/decrease in loans and advances	(20,958,083)	(16,903,760)
Increase/(decrease) in current liabilities	(20,588,770)	(98,094,503)
Increase/(decrease) in provisions	(3,250,247)	3,150,364
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>(57,005,426)</b>	<b>22,541,485</b>
<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(8,953)	(821,991)
Proceeds from slump sale	37,566,999	-
Proceeds from sale of Fixed Assets	-	687,916
Proceeds from sale of investments	1,941,400	-
Purchase of Investments	(58,900,000)	(1,000,000)
Interest received	1,889,105	1,455,177
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(17,511,449)</b>	<b>321,102</b>
<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Repayment of borrowings (Net)	(8,632,506)	(17,685,846)
Proceeds from borrowings	505,864	-
Proceeds from Issue of Equity Shares	78,300,000	-
Interest Paid on Loans	(2,663,952)	(4,352,550)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>67,509,406</b>	<b>(22,038,396)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(7,007,469)</b>	<b>824,191</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>14,833,115</b>	<b>14,008,924</b>
<b>CLOSING CASH AND CASH EQUIVALENTS (Refer Note 1 below)</b>	<b>7,825,646</b>	<b>14,833,115</b>

#### Notes to the Cash Flow Statement

- Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of the following Balance Sheet items.

Particulars	As at March 31, 2011 (Rs. In Lacs)	As at March 31, 2010 (Rs.)
Cash In hand	906,387	233,195
Balance with Banks:		
In current accounts	250,527	597,012
In fixed and margin deposits	6,668,732	14,002,908
	<b>7,825,646</b>	<b>14,833,115</b>

- The above Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 (AS 3) 'Cash Flow Statements' as specified in Companies (Accounting Standard) Rules, 2006.

- Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current years' classification.

As per our report of even date attached

For  
M.V.KRISHNAMOORTHY  
CHARTERED ACCOUNTANTS

M.V.KRISHNAMOORTHY  
PROPRIETOR  
M.NO. 05859  
Place: Mumbai  
Date : 4th June,2011

ALOK P GUPTA

Director

For and on behalf of the Board

OM PRAKASH BOHRA

Director

RAJESH SHAH

Director



**ACI INFOCOM LIMITED**

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

I, hereby record my attendance at the Twenty Ninth Annual General Meeting to be held on Friday, 23rd September, 2011 at the registered office of the company situated at 203, Shah & Nahar Estate, Dr. E.Moses Rd, Worli Naka, Mumbai 400 018 at 10.30 a.m.

DP ID :	CLIENT ID :
NAME AND ADDRESS OF SHAREHOLDER (IN BLOCK CAPITALS)	FOLIO NO.

SIGNATURE OF THE SHARE HOLDER OR PROXY \_\_\_\_\_



**ACI INFOCOM LIMITED**

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

**PROXY FORM**

DP ID :	CLIENT ID :
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I/We .....of.....  
 .....being a Member/Members of ACI INFOCOM LIMITED hereby  
 appoint.....  
 .....of.....(or failing him)  
 .....of.....

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Friday, 23rd September, 2011 at the registered office of the company situated at 203, Shah & Nahar Estate, Dr. E.Moses Rd, Worli Naka, Mumbai 400 018 at 10.30 a. m. and at any adjournment thereof.

AS WITNESS my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

SIGNATURE OF THE SHAREHOLDER OR PROXY \_\_\_\_\_

Signed by the said

100 P. S.  
Revenue Stamp

**NOTE:** The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting. The Proxy need not be a member of the Company.

DP ID :	CLIENT ID :
NAME OF THE SHAREHOLDER (IN BLOCK CAPITALS).	FOLIO NO.

