

ACI INFOCOM LIMITED

30th

Annual Report
2011-2012

ACI INFOCOM LIMITED

THIRTIETH ANNUAL REPORT - 2011-12

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ACI INFOCOM LIMITED
30TH ANNUAL REPORT 2011-12

BOARD OF DIRECTORS

* Alok Gupta - Chairman and
Managing Director
* Om Prakash Bohra - Director
Kalpesh Bhandari – Independent
Director
Rajesh Shah – Independent
Director
* Dinesh Deora – Independent
Director

**BOARD OF DIRECTORS
APPOINTED AFTER FINANCIAL YEAR**

Anand Kumar Jain – Promoter
Managing Director
Nirmal Kumar Jain –Promoter
Director
Kushal Chand Jain –Promoter
Director
Lalit Bajaj – Independent
Director

COMPLIANCE OFFICER

Vinod Jhawar

REGISTERED OFFICE

Office No. 206, V-Mall, Thakur Complex,
W. E. Highway, Kandivali (East),
Mumbai- 400 101

AUDITORS

Anand Jain & Associates,
Chartered Accountants

REGISTRAR & TRANSFER AGENT

M/s. System Support Services
209, Shivai Industrial Estste,
89. Andheri Kurla Road,
Sakinaka, Andheri East
Mumbai 400 072
Tele:022-28500835
Fax No:022-28501438
Email:sysss72@yahoo.com

*Since Resigned from the Board subsequent to 31st March, 2012.

ACI INFOCOM LIMITED

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the members of **ACI INFOCOM LIMITED** will be held on Friday, 14th September, 2012 at Granville Hotel, Plot 680D Opp. Korakendra Ground, R.M. Bhattad Marg, Borivali West, Mumbai- 400092 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, 2012 and the Audited Statement of Profit and Loss Account for the year ended 31st March, 2012 alongwith the Notes appended thereto with the Report of the Board of Directors and the Auditors' thereon.
2. To appoint M/s Anand Jain & Associates, Chartered Accountants Firm Reg. No.105666W as Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Kushal Chand Jain, who was appointed as an Additional Director of the Company on 7th June, 2012 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".

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

"RESOLVED THAT Mr. Nirmal Kumar Jain, who was appointed as an Additional Director of the Company on 7th June, 2012 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. Lalit L. Bajaj, who was appointed as an Additional Director of the Company

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on 3rd August, 2012 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. Anand Kumar Jain, who was appointed as an Additional Director of the Company on 3rd August, 2012 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”.

7. To Consider and if, thought fit, to pass with or without modification, the resolution as a Special Resolution.

“RESOLVED THAT as recommended by Remuneration Committee and pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the said Act as amended up-to-date, consent and approval be and is hereby accorded to the appointment of and the remuneration being paid or provided to Mr. Anand Kumar Jain as Managing Director of the Company for a period of three years with effect from 3rd August, 2012 at a remuneration not exceeding Rs. 1,00,000/- per month including perquisites and on the terms and conditions set out in draft Letter of appointment a copy whereof initialed by Mr. Nirmal Kumar Jain, Director of the Company, for the purpose of identification has been placed before this Meeting, which draft Letter of appointment is hereby specifically approved.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration in the said draft Letter of appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Anand Kumar Jain shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and / or any rules or regulations framed thereunder and the terms of the aforesaid Letter between the Company and Mr. Anand Kumar Jain shall be suitably modified to give effect to such variation or increase as the case may be.”

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“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Anand Kumar Jain's office as Managing Director, the remuneration set out in the aforesaid draft Letter of appointment be paid or granted to Mr. Anand Kumar Jain as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II A of Part II of Schedule XIII to the said Act or such other amount as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.”

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

Registered Office :

Office No. 206, V-Mall, Thakur Complex,
W. E. Highway, Kandivali (East),
Mumbai- 400 101

DIRECTOR

Place : Mumbai,

Date : 3rd August, 2012.

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. 3 to 7 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, 7th September, 2012 to Friday, 14th September, 2012 (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. 3 to 6 of the Notice.

ITEM NO. 3 to 6

Mr. Kushal Chand Jain and Mr. Niraml Kumar Jain were appointed as Additional Directors of 7th June, 2012 and Mr. Lalit L. Bajaj and Mr. Anand Kumar Jain were appointed as Additional Directors on 3rd August, 2012. Pursuant to Section 260 of the Companies Act, 1956, 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. Kushal Chand Jain, Mr. Niraml Kumar Jain Mr. Lalit L. Bajaj and Mr. Anand Kumar Jain may be considered to be interested in the passing of these resolutions.

ITEM NO. 7

The Board of Directors at its Meeting held on 3rd August, 2012 has decided to appoint Mr. Anand Kumar Jain, Managing Director for a period of 3 years w .e. f. 3rd August, 2012 based on the recommendation of Remuneration committee. This was necessitated as the Company's management was changed pursuant to Open Offer was made by Prog Dye Chem Private Limited and the new management has taken the charge of affairs of the Company.

As the Members are aware that Mr. Anand Kumar Jain is a Commerce Graduate having vast knowledge of Business, Accountancy and Taxation.

The detailed terms and conditions regarding remuneration to be paid to them are given below which is as per Section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956.

- 1) Remuneration: Rs, 1,00,000/- per month including perquisites.
- 2) Leave: As per the Rules and regulations of the Company.

Where in any financial year, during the tenure of Managing Director and Executive Directors, the Company has no profit or its profits are inadequate, the Company will pay remuneration not exceeding the limits specified under Section II of Part II of Schedule XII to the Companies Act, 1956.

- 3) Other Conditions:

- i. For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.

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- ii. The Managing Director holds office as such, subject to the provisions of Section 283(1) of the Companies Act, 1956.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 302 of the Companies Act, 1956.

These appointment have been made under Schedule XIII in part II in Section II (1) (A) (i) of the Companies Act, 1956.

The Directors recommend the Special Resolution at item No. 7 for acceptance by the Members.

None of the directors except Mr. Anand Kumar Jain is concerned or interested in passing the said resolution.

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

Registered Office :

Office No. 206, V-Mall, Thakur Complex,
W. E. Highway, Kandivali (East),
Mumbai- 400 101

DIRECTOR

Place : Mumbai,

Date : 3rd August, 2012.

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DIRECTORS' REPORT

To
The Members,

The Board of Directors are pleased to present herewith the Thirtieth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

Amount in Rupees

Particulars	For the Year	
	2011-12	2010-11
Income	217,751,240	137,023,278
Other Income	8,410,265	24,874,917
Total Income	226,161,505	161,898,195
Expenditure before Depreciation, Interest & tax	222,116,114	152,000,074
EBITDA	4,045,391	9,898,121
Depreciation	8,286	7,031,910
Interest	1,555,630	2,663,952
Profit/(Loss) before Prior period item	2,481,475	202,259
Less : Prior Period item	190,375	—
Profit before Tax	2,671,850	202,259
Less: Tax Expenses		
Current Tax/Mat	454,920	37,499
Mat Credit Entitlement for the		
Current year	(454,920)	—
Mat Credit Entitlement for the previous year	(37,499)	—
Deferred Tax	930,447	—
Profit for the year	1,778,903	164,760

DIVIDEND

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

OPEN OFFER

During the year under review, Prog Dye Chem Private Limited made Public offer of 22,09,818 Fully Paid Equity Shares of Rs. 10/- each representing in aggregate 20% of the paid up and voting Equity Share Capital of the Company at a price of Rs. 52/- per share. The open offer was made on 10th December, 2011 pursuant to Regulations 10B of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997.

DIRECTORS RESPONSIBILITY STATEMENT.

Pursuant to the requirement Under Section 217 (2AA) of the Companies Act, 1956 with respect to the

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Directors Responsibilities Statement, it is hereby confirmed;

- i) That in the preparation of the Annual Accounts for the financial year 31st March, 2012, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- ii) 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, 2012 and of the profit of the Company for the year ended 31st March, 2012.
- iii) 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.
- iv) That the Directors have prepared the Accounts for the financial year ended 31st March, 2012 on a going concern basis.

AUDITORS

The Company has 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 2012-13.

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 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 (MD&A)

The Company continues to do the business of Realty Development, Internet Security and Trading in Metals.

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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 earned revenues from operations of Rs. 217,751,240 and other income Rs. 8,410,265/- (Previous Year Rs. 137,023,278/-) and earned a profit before tax of Rs. 2,671,850/- 2.02 Lacs as against the profit of Rs. 202,259/- 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)

		2011-12	2010-11
A)	Earnings on Re-exports	NIL	NIL
B)	Outgo	NIL	NIL1
	Travelling	0.14	6.21
	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

Place : Mumbai,
Date : 30th May, 2012

DIRECTOR

DIRECTOR

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, 2012. 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 5 Directors including 3 Non-executive Independent Directors.

a) Composition & Category of Directors as on 31st March, 2012 -

Sr. No	Name of the Director	Category
1	Mr. Alok Gupta	Managing Director
2	Mr. Om Prakash Bohra	Director
3	Mr. Dinesh Kumar Deora	Independent Director
4	Mr. Kalpesh Bhandari	Independent Director
5	Mr. Rajesh Shah	Independent Director

b) Attendance of each director at the Board Meetings held during the year 2011-12 and at the Last Annual General Meeting.

NAME OF THE DIRECTOR	BOARD MEETINGS HELD	MEETINGS ATTENDED	AGM ATTENDED
MR. ALOK GUPTA	9	9	YES
MR. OM PRAKASH BOHRA	9	9	YES
MR. DINESH KUMAR DEORA	9	9	YES
MR. KALPESH BHANDARI	9	9	YES
*MR. RAJESH SHAH	8	8	YES

*Appointed with effect from 30th April, 2011.

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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. Dinesh Kumar Deora, Chairman
- 2) Mr. Kalpesh Bhandari

c) Meetings of Audit Committee held during the year 2011-12 and attendance of members

Name Of The Member	Meetings Of Audit Committee Held	Meetings Attended
Dinesh Kumar Deora	4	4
Kalpesh Bhandari	4	4

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. Dinesh Kumar Deora, Chairman
- 2) Mr. Kalpesh Bhandari, Member

c) Meetings and attendance during the year 2011-2012.

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

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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 Lacs
Perquisites	NIL
Provident Fund	NIL
Total	Rs. 12 Lacs

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

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. Dinesh Kumar Deora, Chairman
- 2) Mr. Kalpesh Bhandari, Member

c) Name and Designation of Compliance Officer : Mr. Vinod Jhavar is the Compliance Officer of the Company.

d) No. of shareholder's complaints received during the year 2011-2012

During the year 2011-12 there were no complaints/letters were received from the investors.

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 TIME OF	TIME OF AGM HELD
2010-11	203, Shah & Nahar Estate, Dr. E. Moses Road, Worli Naka, Mumbai 400 018	23-09-2011	10.30 A. M.
2009-10	218, Vasan Udyog Bhavan, Senapati Bapat Marg, Opp. High Street Phoenix, Lower Parel (W), Mumbai 400 013	21-09-2010	10.30 A. M.
2008-09	218, Vasan Udyog Bhavan, Senapati Bapat Marg, Opp. High Street Phoenix, Lower Parel (W), Mumbai 400 013	30-09-2009	10.30 A. M.

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b) Whether any Special Resolution passed through Postal Ballot during the year. : No

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 14th September, 2012 at 10.30 a. m. at Granville Hotel, Plot 680D Opp. Korakendra Ground, R.M.Bhattad Marg, Borivali West, Mumbai- 400092.

b) **Financial Calendar**

Quarter ending on	Reporting on
30 th June, 2011	Last Week of July, 2011 (Completed)
30 th September, 2011	Last Week of October, 2011 (Completed)
31 st December, 2011	Last Week of January, 2011 (Completed)
31 st March, 2012	Last Week of May, 2012 (Audited)

c) **Dates of Book Closure:** Friday, 7th September, 2012 to Friday, 14th September 2012 (Both Days Inclusive)

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

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

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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, 2012.

Month	High Rate	Low Rate
April 2011	38.90	29.50
May 2011	34.90	29.10
June 2011	35.90	31.35
July 2011	36.40	32.75
August 2011	33.45	25.05
September 2011	55.70	33.35
October 2011	56.00	46.40
November 2011	49.50	40.00
December 2011	53.50	45.75
January 2012	57.75	46.00
February 2012	79.25	45.50
March 2012	111.80	63.15

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, 2012.

Sr. No.	Category	No. of Shareholders	Percentage of Shareholders	No. of Equity Shares	Percentage of Shareholding
1	1 5000	2655	89.03	1010847	9.15
2	5001 10000	150	5.03	1231569	11.15
3	10001 20000	66	2.21	991184	8.97
4	20001 30000	30	1.01	768199	6.95
5	30001 40000	31	1.04	1173145	10.62
6	40001 50000	24	0.81	1172221	10.61
7	50001 100000	14	0.47	1197700	10.84
8	100001 Above	12	0.40	3504225	31.71
	TOTAL	2982	100.00	11049090	100.00

Note: The Foreign Shareholding of the Company as on 31st March, 2012 is NIL shares aggregating to NIL% of total shareholding of the Company.

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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, 2012, total number of 1,05,23,382 shares of the Company stand dematerialized. This comprises 95.24% 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

For and on behalf of the Board of Directors

Place : Mumbai,

Date : 30th May, 2012

DIRECTOR

DIRECTOR

ACI INFOCOM LIMITED

CERTIFICATE

We have examined the compliance of conditions of Corporate Governance by ACI Infocom Limited for the year ended 31st March, 2012 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 an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **ANAND JAIN & ASSOCIATES**
Chartered Accountants

(ANAND RAJ JAIN)
PARTNER
MEMBERSHIP NO: 42051

Place : Mumbai
Date : 30th May, 2012

ACI INFOCOM LIMITED

AUDITORS' REPORT TO THE MEMBERS OF ACI INFOCOM LIMITED

- 1) We have audited the attached Balance sheet of ACI Infocom Limited ("the Company") as at March 31st, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, both annexed thereto, (collectively referred to as the financial statements), signed by us under reference to this report. 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub section (4A) of section 227 of Companies Act, 1956, we enclose in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) Further to our comments in the Annexure referred to paragraph 3 above, we report as follows:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (ii) In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt by this report comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956.
 - (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

ACI INFOCOM LIMITED

- a. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date, and
 - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
- 5) *On the basis of written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is prima facie disqualified as on March 31, 2012 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.*

For Anand Jain & Associates
Firm Reg. No.-105666W
Chartered Accountants
Anand Raj Jain
Partner
Membership No.42051

Place: Mumbai
Date :30.05.2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph(3) of our report of even date to the members of ACI Infocom Limited for the year ended 31st March 2012)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
- (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off any substantial part of its fixed assets.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act 1956. Therefore para (b), (c) and (d) are not applicable.
- (e) The Company has taken loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 136.40 Lacs. During the year one loan of Rs.15 Lacs was squared up.
- (f) Above loan is interest free loan and the terms and conditions of such loan is, in our opinion, prima facie not prejudicial to the interest of the Company.
- (g) The Company is regular in repaying the principal amounts as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

ACI INFOCOM LIMITED

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, no public deposits under the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed have been accepted by the Company. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Maintenance of cost records prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 is not applicable to the Company.
- (ix) (a) Undisputed Statutory Dues including Employees' Provident Fund, Employees' State Insurance (ESIC), Value Added Tax, Central Sales Tax, Tax Deducted at Source, Income Tax, Wealth Tax, Service Tax, and Profession Tax have generally been regularly deposited with the appropriate authorities, however, there have been some delays in depositing such dues. According to the information and explanations given to us, there were no undisputed statutory dues which have remained outstanding as at 31st March, 2012 for the period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there is no dispute pending in respect of dues of income tax/sales tax/wealth tax/service tax/custom duty/excise duty/cess.
- (x) The Company has accumulated losses at the end of the financial year, however it does not exceed fifty percent of its net worth. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or Bank.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi mutual benefit fund / society.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.

ACI INFOCOM LIMITED

- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company have not raised any term loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the period for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) According to the information and explanations given to us, the Company had not issued any debentures during the year or in earlier years.
- (xx) The Company has not raised any money by public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Anand Jain & Associates
Firm Reg. No.-105666W
Chartered Accountants
Anand Raj Jain
Partner
Membership No.42051

Place: Mumbai
Date :30.05.2012

ACI INFOCOM LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Notes	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	110,490,900	110,490,900
Reserves and Surplus	2	45,102,257	36,524,319
		155,593,157	147,015,219
Non-Current Liabilities			
Long-Term Borrowings		-	-
Deferred Tax Liabilities (Net)		-	-
Other Long Term Liabilities		-	-
Long-Term provisions		-	-
Current Liabilities			
Short-Term Borrowings	3	11,240,000	1,500,000
Trade Payables	4	61,915,059	45,045,745
Other Current Liabilities	5	7,762,476	1,731,726
Short-Term Provision	6	454,920	-
		81,372,455	48,277,471
Total		236,965,612	195,292,689
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	7	219,134	164,000
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
Non-current investments	8	64,548,037	58,900,000
Deferred tax assets (net)	9	7,504,343	1,635,754
Long-Term loans and advances		-	-
Other non-current assets		-	-
		72,271,514	60,699,754
Current Assets			
Current investments		-	-
Inventories	10	35,049,976	23,750,000
Trade receivables	11	74,874,633	16,797,781
Cash and cash equivalents	12	9,981,212	7,825,647
Short-term loans and advances	13	42,934,259	84,129,265
Other Current Assets	14	1,854,019	2,090,243
		164,694,098	134,592,935
Total		236,965,612	195,292,689
Significant Accounting Policies & Notes to Accounts	I, II & III		

As per our report of even date
For Anand Jain & Associates
Chartered accountants
Firm Reg No. 105666W
Anand Raj Jain
Partner
Membership No. 42051
Place : Mumbai
Date : 30.05.2012

For and on behalf of the Board of Directors

Alok Gupta
Managing Director
Kalpesh Bhandari
Director
Om Prakash Bohra
Director

ACI INFOCOM LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2012

Particulars	Notes	Year Ended 31-03-2012 Rs.	Year Ended 31-03-2011 Rs.
Income			
Revenue from operations	15	217,751,240	137,023,278
Other Income	16	8,410,265	24,874,917
Total-(I)		226,161,505	161,898,195
Expenses			
Purchases of stock in trade	17	212,107,567	128,596,477
Construction cost	18	11,299,976	23,750,000
Changes in Inventory	19	(11299976)	(17929279)
Manpower cost	20	4,065,778	7,638,836
Other Expenses	21	5,942,769	9,944,041
Total -(II)		222,116,114	152,000,074
Earning Before Interest,Tax,Depreciation And Amortization(EBITDA) (I)-(II)		4,045,391	9,898,121
Depreciation & Amortization	7	8,286	7,031,910
Finance cost	22	1,555,630	2,663,952
Profit/(Loss) before Prior Period Item		2,481,475	202,259
Prior period income/(expenses)		190,375	-
Profit/(Loss) before tax		2,671,850	202,259
Tax Expenses			
Current Tax-MAT		454,920	37,499
MAT Credit Entitlement for the year		(454920)	-
MAT Credit Entitlement of earlier year		(37499)	-
Deferred Tax		930447	-
Profit/(loss) for the year		1,778,903	164,760
Earning per equity share (Face Value per share Rs. 10)			
Basic		0.16	0.02
Diluted		0.16	0.02
Significant Accounting Policies & Notes to Accounts	I, II & III		

As per our report of even date

For Anand Jain & Associates

Chartered accountants

Firm Reg No.105666W

Anand Raj Jain

Partner

Membership No.42051

Place : Mumbai

Date : 30.05.2012

For and on behalf of the Board of Directors

Alok Gupta

Managing Director

Kalpesh Bhandari

Director

Om Prakash Bohra

Director

ACI INFOCOM LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
<u>AUTHORIZED CAPITAL</u>		
1,35,00,000 Equity Shares of Rs.10/- each	135,000,000	135,000,000
Total	135,000,000	135,000,000
<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>		
1,10,49,090 Equity Shares of Rs.10/- each	110,490,900	110,490,900
Total	110,490,900	110,490,900

(a) Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period.

	In Value	
	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
At the beginning of the reporting period.	110,490,900	81,490,900
Equity Issued during the period	-	29,000,000
At the end of the reporting period.	110,490,900	110,490,900

	In Numbers	
	As at 31-03-2012	As at 31-03-2011
At the beginning of the reporting period.	11,049,090	8,149,090
Equity Issued during the period	-	2,900,000
At the end of the reporting period.	11,049,090	11,049,090

(b) Term & Right attached to equity shares

The company has only one class of equity shares having a par value of Rs.10/- per share. Each Holder of equity share is entitled to one vote per share. In the event of liquidation, shareholder will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the member of equity share held by the share holder.

ACI INFOCOM LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
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Details of shareholders holding more than 5% shares in the Company

	As at 31-03-2012	
	Number	% of holding
Equity Shares of Rs 10 each fully paid		
Prog Dye Chem Private Limited	1,427,132	12.92
ACI Techserve Private Limited, Promotor Group Co	605,141	5.48
Apg Family Trust	-	-
Divya Alok Gupta	-	-
	As at 31-03-2011	
	Number	% of holding
Equity Shares of Rs 10 each fully paid		
Prog Dye Chem Private Limited	-	-
AcI Techserve Private Limited, Promotor Group Co	605,141	5.48
Apg Family Trust	648,832	5.87
Divya Alok Gupta	778,300	7.04

Note-2 Reserves & Surplus

Security Premium Account

Balance as per last financial statements	60,434,000	11,134,000
Add-Addition on issue of fresh equity	-	49,300,000
Less-Utilized during the year	-	-
Closing Balance	60,434,000	60,434,000

General Reserve

Balance as per last financial statements	19,290,654	19,290,654
Add-Addition during the year	-	-
Less-Utilized during the year	-	-
Closing Balance	19,290,654	19,290,654

Surplus/(Deficit) in the statement of profit and loss account

Balance as at the beginning of the year	(43200335)	(43365095)
Profit for the current year	1,778,903	164,760
Addition-Deferred Tax Assets of earlier years	6,799,036	-
Less-Appropriations	-	-
Net surplus in the statement of profit and loss account	(34622397)	(43200335)
Total	45,102,257	36,524,319

ACI INFOCOM LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
Note-3 Short Term Borrowings		
From Other Parties		
Loan & Advances from Related Parties		
From Associates-Unsecured	11,240,000	1,500,000
Total	11,240,000	1,500,000
Note-4 Trades Payable		
Sundry Creditors for Goods	59,887,800	43,691,489
Sundry Creditors for Expenses	2,027,259	1,354,255
Total	61,915,059	45,045,745
Note-5 Other Current Liabilities		
Bank Balance Overdrawn	25,099	-
Advances from customers	7,422,000	1,300,000
Statutory Dues	315,377	431,726
Total	7,762,476	1,731,726
Note-6 Short Term Provisions		
Provision for Income Tax	454,920	-
Total	454,920	-

ACI INFOCOM LIMITED

Note-7 Fixed Asset

(Amount in Rupees)

Particulars	Rate	Gross Block			Depreciaton			Net Block			
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
Tangible Assets											
Land		164,000	-	-	164,000	-	-	-	-	164,000	164,000
Computer	16.21%	-	63,420	-	63,420	8,286	-	8,286	55,134	-	-
SUB TOTAL (A)		164,000	63,420	-	227,420	8,286	-	8,286	219,134	164,000	164,000
Intangible Assets											
SUB TOTAL (B)											
Capital Work-in-progress											
SUB TOTAL (C)											
Total [A + B + C] (Current Year)		164,000	63,420	-	227,420	8,286	-	8,286	219,134	164,000	164,000
(Previous Year)		75,594,761	8,953	75,439,714	164,000	4,376,902	(557,8752)	-	164,000	24,212,911	24,212,911

ACI INFOCOM LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
Note-8 Non Current Investment		
Investment in Partnership Firm		
Investment in Sanjog Developers (Include Accumulated share of profit of Rs.2,84,447 and Interest on Capital of Rs.57,13,590)	64,548,037	58,900,000
Total	64,548,037	58,900,000
Detail of Investment in Partnership Firm		
Name of the Partners	Share in profit (%)	
	2012	2011
ACI Infocom Ltd	70	70
Lalit Parasmal Nahata	15	15
Praveen Sohanraj Balar	15	15
Note-9 Deferred Tax Asset (net)		
On Account of Depreciation and carried forward losses Unrecognised Deferred Tax Assets of earlier years on c/f losses recognized in the current year through reserve and surplus	705,307	1635754
Total	6,799,036	-
	7,504,343	1,635,754
Note-10 Inventories		
Work in progress-Real Estate Project under construction at cost	35,049,976	23,750,000
Total	35,049,976	23,750,000
Note-11 Trade Receivables		
Outstanding for more than six months		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good	698,158	2,821,878
c) Doubtful	-	-
Others		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good	74,176,475	13,975,903
c) Doubtful	-	-
Total	74,874,633	16,797,781

Out of total balance of trade receivable, Rs 21,46,194/- is receivable from Entity in which directors are interested.

ACI INFOCOM LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
Note-12 Cash & Cash Equivalents		
Cash in hand	49,330	906,388
Balance in Current Account with Scheduled Banks	3,026,601	250,527
Margin Money Deposits	6,668,408	6,282,152
Other Term deposit	236,873	386,580
Total	9,981,212	7,825,647

Margin money deposits of Rs 66,57,937/- (previous year 62,71,681/-) are subject to first charge to secure Letter of credit facility.

Margin money deposits of Rs 10,471/- (previous year 10,471/-) are subject to first charge to secure Bank Guarantee.

Note-13 Short-term loans and advances

Unsecured considered good

Advances to related parties	6,967,423	41,210,667
Inter-corporate Loan	28,953,322	31,400,000
Advance to corporate	7,000,000	11,500,000
Advances for Expenses	13,514	-
Advances to Staff	-	18,599
Total	42,934,259	84,129,266

Note-14 Other Current Assets

Advance Income Tax-Net	1,361,600	1,037,050
Mat Credit Entitlement	492,419	-
Deposit	-	598,218
Service Tax Input	-	454,975
Total	1,854,019	2,090,243

ACI INFOCOM LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year Ended 31-03-2012 Rs.	Year Ended 31-03-2011 Rs.
Note-15 Revenue from Operations		
Sale of Products		
A. Metal	211,425,038	115,752,350
B. Telecom services	1,201,645	3,827,418
C. Internet security	5,118,464	12,879,144
A+B+C	<u>217,745,147</u>	<u>132,458,912</u>
Sale of Services		
A. Digitalization	-	2,393,066
B. Education	-	2,161,400
A+B	-	<u>4,554,466</u>
Other Operating Income-Course Material	6,093	9,900
Total	<u><u>217,751,240</u></u>	<u><u>137,023,278</u></u>
Note-16 Other Income		
License fees	-	156,520
Misc Income	2,060	551,849
Professional fees	-	1,093,971
Profit on sale of shares	-	94,140
Profit on slump sale	-	20,541,045
Share in Profit from Partnership Firm	94,072	-
Sundry balances w/back	-	548,287
Interest Income		
Interest on Non Current Investment in Partnership Firm	5,713,590	-
Interest on Short-term loans and advances	2,129,046	1,328,055
Interest on Bank Deposits	449,718	561,050
Interest on Income tax Refund	21,779	-
Total	<u><u>8,410,265</u></u>	<u><u>24,874,917</u></u>
Note-17 Purchases of stock in trade		
Metal	206,275,220	115,578,220
Internet security	4,933,451	10,804,616
Telecom service	898,895	2,213,641
Total	<u><u>212,107,567</u></u>	<u><u>128,596,477</u></u>

ACI INFOCOM LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year Ended 31-03-2012 Rs.	Year Ended 31-03-2011 Rs.
Note-18 Cost of Construction		
Cost related to Land	220,000	8,750,000
Cost related to Construction	11,079,976	15,000,000
Total	11,299,976	23,750,000

Note-19 Changes in Inventory

A. Related to Construction Business

Opening Stock

Construction WIP	23,750,000	-
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Less-Closing Stock

Construction WIP	35,049,976	23,750,000
	<u>(11299976)</u>	<u>(23750000)</u>

B. Related to other Business

Opening Stock

Internet Security	-	5,029,806
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Telecom Services	-	790,915
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Less-Closing Stock

Internet Security	-	-
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Telecom Services	-	-
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Total	(11299976)	(17929279)
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Note-20 Manpower Cost

Salary	2,850,808	6,306,349
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Directors remuneration	1,200,000	1,200,000
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Contribution to provident fund and other funds	8,360	44,023
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Staff welfare	6,610	88,464
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Total	4,065,778	7,638,836
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ACI INFOCOM LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year Ended 31-03-2012 Rs.	Year Ended 31-03-2011 Rs.
Note-21 Other Expenses		
Auditors Remuneration	84,270	50,000
Advertisement	259,849	1,136,853
Commission	1,675,700	-
Courier Charges & Postage Charges	35,841	247,044
Directors Sitting Fees	3,000	10,500
Electricity Charges	68,185	673,560
Exchange Gain Or Loss	5,823	7,862
Freight, Octroi And Duties	231,445	270,347
Insurance Expenses	-	38,952
Legal And Professional Charges	567,147	833,238
Membership, Books & Periodicals	441,319	276,306
Miscellaneous Expenses	15,240	163,237
Printing And Stationary	98,786	230,839
Rates & Taxes	-	2,000
Rent	7,950	3,452,062
Repairs & Maintenance	-	378,499
Sales Promotion	716,863	722,665
Sundry Balance Written Off	563,580	-
Telephone Expenses	195,287	448,843
Travelling	972,485	1,001,234
Total	5,942,769	9,944,041
Note-22 Finance Cost		
Bank charges	34,231	140,399
Interest on cash credit	-	456,414
Interest on delay Payment of Statutory Dues	54,170	1,529
Interest on term loan	-	428,774
LC Facility Utilization Charges	1,467,229	1,636,836
Total	1,555,630	2,663,952
Note-7 Depreciation & Amortization		
Depreciation	8,286	4,376,902
Goodwill Written off	-	2,655,008
Total	8,286	7,031,910

ACI INFOCOM LIMITED

NOTES TO ACCOUNT

I. CORPORATE INFORMATION

Since many years the Company is trading in I.T Products, Telecom and steel. It has also stepped into real estate business.

II. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles 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.

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

3. Fixed Assets

Fixed Assets have been stated at cost of acquisition inclusive of expenses directly attributable to the acquisition of such assets.

4. 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.

5. Foreign exchange transactions

Transactions in foreign currencies are recorded at the prevailing exchange rates on the transaction dates. Realized 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 recognized in the profit and loss account.

6. Inventories

Inventories are valued at cost or net realizable value whichever is lower. Cost of property under construction held as inventory includes cost of purchases, construction cost, and other cost incurred in bringing the properties to their present location and condition.

7. Material events occurring after the Balance Sheet

Material events occurring after the Balance Sheet date have been taken cognizance of liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty have been treated as contingent liability and are disclosed by way of notes to accounts.

ACI INFOCOM LIMITED

8. Prior Period Adjustment

Expenses and income pertaining to earlier / previous years are accounted as Prior Period Items.

9. Investments

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

10. Revenue Recognition

- (a) 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.
- (b) Revenue from disposal of properties is recognized on legal completion of the contract. Where properties are under development, revenue is recognized when significant risk and rewards of ownership and effective control of the real estate have been transferred to the buyer. If the revenue recognition criteria have been met before construction is complete then obligation is recognized for the cost to complete the construction at the same time as the sale is recognized.
- (c) Interest Income is recognized on a time proportion basis by reference to the principal outstanding and at the interest rate applicable. Share of profit from partnership firm recognised on the basis of confirmation from partnership firm.

11. Income Tax

Tax Expenses comprise Current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authority in accordance with the income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where company operate.

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 recognized only when there is a reasonable certainty of their realization. Unrecognized deferred tax assets on previous year taxation losses have been added to opening reserves.

12. 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.

13. 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.

ACI INFOCOM LIMITED

14. Segment Reporting

The company's segment is identified as business segment based on nature of products, risk, returns, internal organisation and management structure. Unallocated corporate revenue and expenses which relate to the enterprise as a whole are not attributable to segments.

15. Lease

Operating Lease payment is recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

III NOTES TO ACCOUNTS

1. Earnings per share

Basis earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholder by the weighted average number of equity share outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive equity shares.

	2011-12	2010-11
Profit / (Loss) after tax and exceptional items (Rs.In Lacs)	17.78	1.65
Weighted average number of equity shares used for calculating basic earnings per share	1,10,49,090	88,64,158
Weighted average number of equity shares used for calculating diluted earnings per share	1,10,49,090	88,64,158
Face value of Equity Shares (Rs.)	10	10
Earning per share- Basic & Diluted (Rs.)	0.16	.02

2. Related Party Disclosure

A) Disclosure requirements as per Accounting Standard 18 (AS-18) "Related Party Disclosure" notified under Companies (Accounting Standard) Rules, 2006, (as amended) and relevant provisions of companies Act 1956,

Related Parties

ACI Techserv Private Limited
Avera Chemicals Private Limited
ACI Ecotech Private Limited
Alpine International Private Limited

Nature of relationship

Associates / Enterprises over which directors and / Or their relatives has significant influence

Shri.Alok Gupta
Shri. Dinesh Kumar Deora
Shri. Omprakash Bohra
Shri. Kalpesh Bhandari
Shri. Rajesh Babulal Shah

Key Management Personnel

Shri. Abhijeet Gupta

Relative of Key Management Personnel

Note: Related party Relationships have been identified by the management and relied upon by the Auditors.

ACI INFOCOM LIMITED

B) Details of transactions between the Company & related parties during the year.

(In Rs.)

Nature of Transaction	Name of Party	Associates / Enterprises over which directors and /Or their relatives has significant influence		Key Management Personnel		Relative of Key Management Personnel	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Remuneration / Salary	Shri. Alok Gupta Shri. Abhijeet Gupta			12,00,000	12,00,000	5,94,000	5,94,000
Purchase of products	ACI Techserv Pvt Ltd Avera Chemicals Pvt Ltd Alpine International Pvt Ltd	2,77,903 NIL NIL	NIL 53,26,395 60,63,733				
Sale of products	ACI Techserv Pvt Ltd Alpine International Pvt Ltd	21,49,784 NIL	NIL 1,14,14,679				
Unsecured Loans Accepted	Avera Chemicals Pvt Ltd Alpine International Pvt Ltd	2,05,40,000 NIL	NIL 45,00,000				
Unsecured Loans Repaid	Avera Chemicals Pvt Ltd Alpine International Pvt Ltd	93,00,000 15,00,000	NIL 30,00,000				
Advances/slump sale / accounts taken over	ACI Ecotech Pvt Ltd ACI Techserv Pvt Ltd	2,23,803 NIL	54,53,186 2,98,18,433				
Loans/Advances recovered	ACI Ecotech Pvt Ltd ACI Techserv Pvt Ltd	26,83,002 2,98,18,433	29,93,987 NIL				
Expenses incurred by company for associate	ACI Techserv Pvt Ltd	47,12,527	NIL				
Transfer of Assets & Liabilities	ACI Techserv Pvt Ltd	42,08,763	3,45,00,000				
Recovery of expenses incurred by company for associate	ACI Techserv Pvt Ltd	19,53,867	NIL				
Expenses incurred by associate on behalf of company	Avera Chemicals Pvt Ltd	2,91,000	NIL				
Reimbursement of expenses incurred by associate on behalf of company	Avera Chemicals Pvt Ltd	66,640	NIL				

C) Details of outstanding balances as on 31st March, 2012.

Nature of Transaction	Name of Party	O/S Balance as on 31.03.2012	O/S Balance as on 31.03.2011
Unsecured Loan	Avera Chemicals Pvt Ltd Alpine International Pvt Ltd	1,12,40,000 cr NIL	NIL 15,00,000 cr
Advances /slump sale/assets liabilities taken over	ACI Ecotech Pvt Ltd ACI Techserv Pvt Ltd	NIL 69,67,423 dr	24,59,199 dr 2,98,18,433 dr
Creditors for expenses	Avera Chemicals Pvt Ltd	2,24,360 cr	NIL
Trade Receivable	ACI Techserv Pvt Ltd	21,46,194 dr	NIL

ACI INFOCOM LIMITED

3 Segment Reporting

Product wise Segmental reporting for F Y 2011-12

Particulars	Internet Security	Metal	Telecom services	Realty	Unallocated	Total
Revenue	5,118,464	211,425,038	1,201,645	-	6093	217,751,240
Other Incomes		-	-	5,807,662	2,602,603	8,410,265
Profit before Interest & Tax	(1,298,130)	3,474,118	205,234	5,807,662	(39,47,018)	42,27,480
Less - Interest Expenses	-	1,467,229	-	-	88401	15,55,630
Profit before Tax	(1,298,130)	2,006,889	190,848	5,807,662	(40,35,419)	26,71,850

Capital Employed	Internet Security	Metal	Telecom services	Realty	Unallocated	Total
Assets	2,146,194	79,396,847	-	106,598,013	48,824,559	236,965,613
Liabilities	-	59,887,800	-	7,422,000	14,062,655	81,372,455
Net Capital Employed	2,146,194	19,509,047	-	99,176,013	34,761,904	155,593,157

Product wise Segmental reporting for FY 2010-11

Particulars	Internet Security	Metal	Telecom services	Realty	Unallocated	Total
Revenue	17,433,610	115,752,350	3,827,418	-	9,900	137,023,278
Other Incomes	22,175,378	-	-	-	2,699,538	24,874,916
Profit before Interest & Tax	6,211,936	(49,758)	438,599	-	(3,734,567)	2,866,211
Less - Interest Expenses	438,519	2,093,250	19,926	-	112,257	2,663,952
Profit before Tax	5,773,417	(2,143,008)	418,673	-	(3,846,824)	202,259

Capital Employed	Internet Security	Metal	Telecom services	Realty	Unallocated	Total
Assets	34,464,447	12,768,584	-	83,350,000	65,094,742	195,677,773
Liabilities	-	38,848,541	-	1,300,000	8,514,013	48,662,554
Net Capital Employed	34,464,447	(26,079,957)	-	124,950,000	13,680,729	147,015,219

ACI INFOCOM LIMITED

4 Contingent Liability-

Letters of credit issued by the bank on behalf of the company Rs.Lacs 598.87 (Previous year Rs. 388.49 Lacs)

The facility is secured by hypothecation of stock, mortgage of immovable property owned by director, personal guaranty of directors and 10 % by way of pledge of term deposit.

Guarantees given by the bankers of the company Rs.1 Lac (Previous year Rs.1 Lac).

- 5 Balances are relied upon as per books of accounts wherever the confirmations from debtors/creditors/Loans/Advances are not available
- 6 As certified by the management, there are no dues outstanding to any Micro Small and Medium size Enterprises as at the end of the year.
- 7 As certified by the Management there is no obligation in respect of gratuity and leave encashment during the year.
- 8 Auditor's Remuneration including service tax is Rs.84, 270/- (Previous Year Rs.50000/-).
Statutory Audit Fees - Rs. 56,180 (Rs. 25,000)
Tax Audit Fees - Rs. 28,090 (Rs. 25,000)
- 9 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.
- 10 Expenditures & Earning in Foreign Currency

Expenditure incurred in Foreign Currency:	RS.(In lacs)	RS.(In lacs)
Travelling	0.14	6.21
Earnings in foreign exchange	-	-

- 11 During the year ended 31st March, 2012, the revised schedule VI notified under The Companies Act, 1956 has become applicable to the Company, for presentation and preparation of its financial statement. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impacts on presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figure in accordance with the requirements applicable in the current year.

As per our report of even date
For Anand Jain & Associates
Chartered accountants
Firm Reg No.105666W

Anand Raj Jain
Partner
Membership No.42051

Place : Mumbai
Date : 30.05.2012

For and on behalf of the Board of Directors

Alok Gupta
Managing Director

Kalpesh Bhandari
Director

Om Prakash Bohra
Director

ACI INFOCOM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Year Ended 31-03-2012 Rs.	Year Ended 31-03-2011 Rs.
Cash Flow From Operating Activities		
Profit Before Tax	2,671,850	202,259
Adjustments for :		
Depreciation	8,286	4,376,902
Goodwill written off	-	2,655,008
Income on investment in partnership firm	(5,998,037)	-
Finance Cost	1,555,630	2,663,952
Interest income	(2,600,543)	(1,889,105)
Profit on sale of shares	-	(94,140)
Profit on slump sale	-	(20,541,045)
Sundry balance written off/(back)	563,580	(548,287)
Operating Profit Before Working Capital Changes	(3,799,234)	(13,174,456)
Adjustments for :		
(Increase)/decrease in inventories	(11,299,976)	(17,929,279)
(Increase)/decrease in trade receivables	(58,076,852)	18,895,408
(Increase)/decrease in short-term loans and advances & other current assets	41,891,881	(20,330,811)
Increase/(decrease) in current liabilities	22,803,804	(23,839,017)
Cash generated from operations	(8,480,376)	(56,378,154)
Taxes Paid	460,651	627,272
Net Cash Flow From/ (Used In) Operating Activities (A)	(8,941,027)	(57,005,426)
Cash Flow From / (Used In) Investing Activities		
Purchase of fixed assets	(63,420)	(8,953)
Slump Sale	-	37,566,999
Proceeds from sale of investments	-	1,941,400
Non current Capital in Partnership firm	350,000	(58,900,000)
Interest received	2,600,543	1,889,105
Net Cash Flow From / (Used In) Investing Activities (B)	2,887,123	(17,511,449)
Cash Flow From / (Used In) Financing Activities		
Proceeds from borrowings (Net)	9,740,000	(8,126,642)
Proceeds from Issue of Equity Shares	-	78,300,000
Finance Cost	(1,555,630)	(2,663,952)
Net Cash Flow From / (Used in) Financing Activities (C)	8,184,370	67,509,406
Net Increase / (Decrease) In Cash And Cash Equivalents (A + B + C)	2,130,466	(7,007,469)
Opening Cash And Cash Equivalents	7,825,647	14,833,115
Closing Cash And Cash Equivalents (Refer Note 1 Below)	9,956,113	7,825,646

ACI INFOCOM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Year Ended 31-03-2012 Rs.	Year Ended 31-03-2011 Rs.
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1. 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	2012 Rs.	2011 Rs.
Cash In hand	49,330	906,387
Balance with Banks:		
In current accounts	3,026,601	250,527
In fixed and margin deposits	6,905,281	6,668,732
Less: Bank balance overdrawn	25,099	-
	9,956,113	7,825,646

2. The above Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 'Cash Flow Statements' as specified in Companies (Accounting Standard) Rules, 2006.
3. Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current years' classification

As per our report of even date
For Anand Jain & Associates
Chartered accountants
Firm Reg No.105666W
Anand Raj Jain
Partner
Membership No.42051
Place : Mumbai
Date : 30.05.2012

For and on behalf of the Board of Directors

Alok Gupta Kalpesh Bhandari
Managing Director Director

Om Prakash Bohra
Director

ACI INFOCOM LIMITED

Registered Office : Office No. 206, V-Mall, Thakur Complex, W. E. Highway, Kandivali (East), Mumbai- 400 101

I, hereby record my attendance at the Thirtieth Annual General Meeting to be held on Friday, 14th September, 2012 at Granville Hotel, Plot 680D Opp. Korakendra Ground, R.M.Bhattad Marg, Borivali West, Mumbai-400092at 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 : Office No. 206, V-Mall, Thakur Complex, W. E. Highway, Kandivali (East), Mumbai- 400 101

PROXY FORM

DP ID :	CLIENT ID :
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I/Weof.....
.....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, 14th September, 2012
at Granville Hotel, Plot 680D Opp. Korakendra Ground, R.M.Bhattad Marg, Borivali West, Mumbai-
400092 at 10.30 a.m. and at any adjournment thereof.

AS WITNESS my hand/our hands this _____ day of _____ 2012.

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.

BOOK-POST

If Undelivered, Please Return to :

ACI INFOCOM LIMITED

Office No. 206, V-Mall, Thakur Complex,
W. E. Highway, Kandivali (East),
Mumbai- 400 101