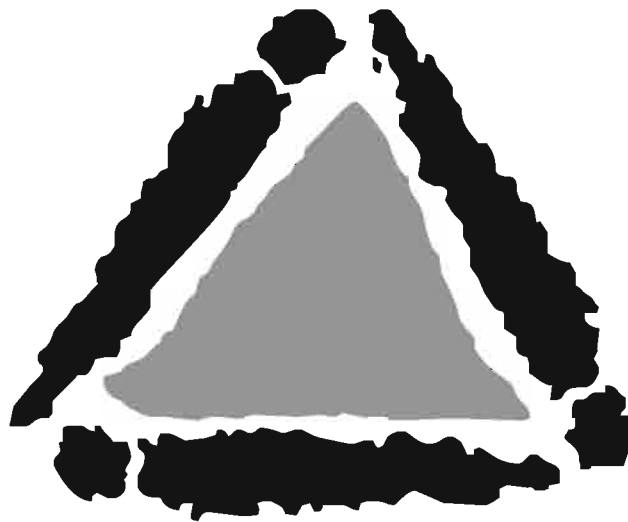




CORPORATE INFORMATION



IndiaCo

Creating Wealth...

STATUTORY AUDITORS

S.J. Agrawal & Associates,
Chartered Accountants,

BANKERS

Citibank, N.A. • Royal Bank of Scotland • HDFC Bank • IDBI Bank

Registrar & Share Transfer Agent

Universal Capital Securities Pvt Ltd.

(Formerly known as

Mondkar Computers Pvt Ltd.)

21, Shakil Niwas,

Opp. Satya Saibaba Temple,

Mahakali Caves Road,

Andheri (East), Mumbai - 93.

Registered Office

4th Floor Symphony, 210 Range Hills Road
Pune 411020, Maharashtra
India

Tel: +91 20 25560254 Extension 241

Tel: +91 20 25560264

Fax: +91 20 25560243



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VICE CHAIRMAN'S COMMUNIQUE



Dear Shareholders,

I would like to extend a warm welcome to all of you on your company's 28th Annual General Meeting. I thank you sincerely for your support and conviction in your company. The annual report contains audited accounts and director's report, which are available for you to review.

Company Performance : Financial Year 2010-2011

It is now the start of a global journey where your company's approach to growth and strategy is about combining innovation with scale. The year gone by has seen us achieve several milestones.

I am happy to report some of the highlights of your company's exceptionally strong operational performance during the year 2010-11.

The year was active and challenging for your company. In spite of deteriorating market conditions and overall volatile environment, your company has successfully moved forth with its growth initiatives, demonstrating its inherent strength and stability.

For the benefit of our new shareholders, I wish to explain the nature of business of your company. Your company is in the business of Private Equity Investments, where the growth of top line and bottom line does not determine the benchmark and is not a criterion of progress. It will be your company's endeavor to show-case the progress of its investments and in certain cases your company will provide a complete report, termed as 'natural parameters of investment'. In this report, your company will benchmark each investment on a set of fundamental and static criteria, which would then be measured on a yearly and quarterly basis.

This will provide all stakeholders a clear overview of your company's investment operations, as a part of the continued endeavor to provide information transparently. Your company will be consolidating subsidiary companies from this year.

I would also like to mention that your company has always been and will be transparent which means your company will disclose the good news and the bad news in the same manner.



VICE CHAIRMAN'S COMMUNIQUE

Highlights 2010-2011

Private Equity – IndiaCo India Fund (IIF) and IndiaCo Energy Efficiency Fund (IEEF)

Your company's subsidiary, India Capital Private Limited, has sponsored a private trust last year to serve as a master structure to the various investment schemes that will form the basis of the asset management business.

IndiaCo India Fund Trust has been formed in India as a contributory umbrella trust under the Indian Trust Act, 1882 and is registered in India under the Indian Registration Act, 1908.

IndiaCo Energy Efficiency Fund ('IEEF' or the 'Fund') is a seven-year, close-ended scheme, which may be extended for two additional periods of one year each, formed for the purpose of making direct equity and equity-linked investments and debt investments in Portfolio Companies. The Fund will invest in businesses and companies in India operating in the energy efficiency sector.

IndiaCo Energy Efficiency Fund is a recipient of a fund development grant under Seed Capital Assistance Facility (SCAF).

SCAF is a regional technical assistance programme run by Asia Development Bank (ADB) and United Nations Environment Programme (UNEP), designed to support the creation of a seed capital investment strategy, focused on the clean energy sector within the broader investment offerings of venture capital funds across Asia.

Through SCAF support, IndiaCo would develop and refine the early-stage component of the fund strategy and provide development support to early stage enterprises that could potentially qualify for investment through the Fund.

I am happy to report that your company's subsidiary, IndiaCo Advisors Private Limited is the only asset manager in India to have received this support.

IndiaCo Telecom Pvt. Ltd.

IndiaCo Telecom Pvt. Limited (ITPL) is a subsidiary of IndiaCo Ventures Limited. IndiaCo Telecom has been formed as a special purpose vehicle focusing on investing in companies manufacturing telecom infrastructure hardware products (e.g. antennas, couplers, VoIP products and handsets), telecom infrastructure products and services (e.g. operation & maintenance and software applications, mobile content, m-commerce, application development and content delivery platforms).

I am happy to report that we have made a partial exit of one of the portfolio investments (InfoDynamics (P) Limited)

New Initiatives - InEnCy

Your company has setup InEnCy, a business plan competition in India, launched by IndiaCo. This annual event aims at identifying potential relevant innovations that could lead to viable businesses with technological and / or scientific breakthroughs to improve or revolutionize Energy Efficiency. With this focus InEnCy has been able to create a support network of industry experts, VCs & investors operating in the Energy Efficiency space.

The competition was sponsored by - Asian Development Bank, European Investment Fund, European Union, HSBC, United Nations Environment Program and Global Environment Facility.



VICE CHAIRMAN'S COMMUNIQUE

The Academic Bridge Program - 'Innovate with IndiaCo'

This initiative under your company is to promote development and entrepreneurial spirit in India. The intent is to facilitate exchange of resources between the entrepreneurs, academic community and investors, for the purpose of innovation, invention and creating sustainable business enterprises. This program helps your company create an ecosystem that churns out investment opportunities for IndiaCo and assists your company extend its reach within investor and academic circles.

Your company sponsored several business plan competitions and learning programs through this initiative.

Support to Business Plan Competitions

- Entrepreneurs in their graduate level MBA's have been launching their companies using Thammasat Asia Moot Corp (TUAMC) as a springboard toward success. Your company was called by Asia Moot Corp to judge the final round.
- Your company supported Indira Innovate – a business plan competition for budding entrepreneurs. Indira Business Schools provides 'Management education in a corporate environment'

Mentoring

- Indian School of Business has a five-year investment plan along with Goldman Sachs to provide 10,000 underserved women around the world with a business and management education. Your company was a part of this program as a mentor, interacting with the students of Indian School of Business about the feasibility of business plans in the real world.
- Sankalp had organized their business plan competition for budding enterprises and your company acted as mentor and judged the participating companies.

IndiaCo Ventures and infoDev Top 50 SMEs

Your company was invited as judge to the infoDev Top 50 SMEs in Helsinki, Finland.

infoDev received over 750 applications from 65 countries, with around 90% coming from infoDev's network of more than 330 business incubators, mobile applications labs and climate innovation centers. SMEs from 34 countries made it into the Top 50. The final selections were extremely difficult given the high quality of the applications. The judging panel, who represented infoDev, the International Finance Corporation (IFC), and external investors/Venture Capitalists, nominated fifty firms that offer the best chance for long-term growth and sustainability, while also reflecting on the diversity among the applicants.

Strategic Initiatives

IndiaCo has several new partnerships this year and we continue to build new relationships for the current year, I am happy to report the following:

IndiaCo a part of Grow VC's Virtual VC Co-investment Fund

Your Company is the first partner to join the fund, participate in the concept and this will pave the way for other VC's to join in. The early stage startups space in India is an extremely exciting one and the virtual fund would open doors for VC's to be a part of this promising market, which has tremendous talent and potential, giving them access to better



VICE CHAIRMAN'S COMMUNIQUE

funding options.

Knowledge Management – Arthashastra™

Your company believes in strong processes and to this effect, it has deployed knowledge management systems with a single purpose that all information, learning and knowledge gained by the company should be available to all members of the team.

The 'IC Knowledge Milestones and Systems (Arthashastra™)' is a proprietary data mining and reporting tool to analyze and synthesize companies, technologies, funds and other relationships that your company works with. This system is based on a dynamic mechanism that allows effective communication between portfolio companies and exploration of new potential investment opportunities in a secure environment.

Team IndiaCo

The team at IndiaCo comprises of experienced entrepreneurs and executives who work toward the common goal of 'Creating Wealth' for the shareholders. We are always looking for entrepreneurial talent combined with strong academic background to enrich the IndiaCo team.

Acknowledgments

I would like to take this opportunity to thank all our esteemed customers, institutional funds, clients, investee companies, for their continued support. IndiaCo has the ability to change with the times and the entrepreneurial drive to implement these changes at a rapid pace. I am, therefore, confident that your company will come out as a much stronger and better-diversified global entity in the near future.

My thanks to the employees of your company for the outstanding work that they have done in an extremely difficult year and to you for your continued support.

I would like to extend a warm welcome to all of you on your company's 27th Annual General Meeting. I thank you sincerely for your support and conviction. The annual report contains the audited accounts and Director's report, which are available for you to review and scrutinize. I will be sharing the highlights of your company's performance in the past year.

My profound gratitude to all shareowners for your support and patronage.

Sincerely,

Sd/-

Rahul Patwardhan

Vice-Chairman & Managing Director

IndiaCo Ventures Limited



CERTIFICATION BY MANAGING DIRECTOR

I, Rahul Patwardhan, Vice Chairman & Managing Director of IndiaCo Ventures Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as cash flow statement of the company for the year ended 31st March 2011;
2. To the best of my knowledge and information:
 - (A) these statement(s) do not contain any materially untrue statement (neither they) omit to state (any) material fact (nor they) (contain any) statement that might be misleading;
 - (B) these statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
3. There were, no transactions entered into by company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct;
4. The company's other certifying officers and I, along with the other certifying officers of the company are(is) responsible for establishing and maintaining internal controls and procedures, and I have evaluated the effectiveness of the company's internal controls and procedure; and the auditors, the Audit committee and I have not come across any deficiencies in the design or the operation of the internal controls and procedure; and the Auditors, the Audit Committee and I have not come across any deficiencies in the design of operation of the internal controls during the year;
5. There was no instance of any fraud involving management or employees having a significant role in the company's internal systems
6. There were no significant changes in internal control and / or accounting policies during the year;

I further declare that all the board members and senior management have affirmed compliance with the code of conduct for the current year.

Sd/-

Rahul Patwardhan

Managing Director

Place: Pune

Date: 12/08/2011



DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 28th Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2011.

FINANCIAL RESULTS

(Amount in Rs.)

Particulars	2010-11	2009-10
Total Income	59,73,799.03	5,03,14,751.25
Less: Expenditure	2,01,73,160.83	1,90,24,274.44
Profit/(Loss) Before Tax	(1,41,99,361.80)	3,12,90,476.81
Tax expenses including deferred tax	43,44,000	(45,56,000)
Profit / (Loss) for the year	(83,74,692.80)	26,734,476.81

DIVIDEND

The Board of Directors has decided not to recommend any dividend in the year under review and plough back the profits earned in the business activities.

DEPOSITS

The Company has not accepted any deposits pursuant to the provisions of Section 58A of the Companies Act, 1956.

DIRECTORS

During the period, Mr. Dhananjay Bendre, Mr. Pradeep Dubhashi, Prithipal Singh, Rahul Rathi & Suneel Parasnis have resigned from the Board of the Company. The Board places on record the gratitude for the services rendered by them during their tenure as members of the Board.

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rahul Patwardhan & Shyam Iyer are liable to retire by rotation & are eligible for reappointment.

AUDITORS

You are requested to re-appoint M/s S.J. Agrawal & Associates, Chartered Accountants, the retiring Auditors as the statutory auditors for the financial year 2011-12 and to authorize the Board to fix their remuneration. M/s S.J. Agrawal & Associates, Chartered Accountants, the retiring Auditors have conveyed their willingness to be reappointed as auditors.

CORPORATE GOVERNANCE

For fiscal year 2011, the Compliance Report on Corporate Governance forms part of the Annual Report. The Auditors certificate on the compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement with the stock exchange is attached and forms part of this Report. We have documented our internal policies on corporate



DIRECTORS' REPORT

governance. The Management's discussion & Analysis of the financial position of the Company is provided in this Annual report and is incorporated here by reference.

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956:

There were no employees employed during the year or part of the year, getting remuneration in excess of Rs. 200,000/- per month or Rs. 2,400,000/- per annum and particulars of which are required to be given pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

EMPLOYEES STOCK OPTION SCHEME 2007 & 2009 (ESOS):

Disclosures in respect of the IndiaCo Ventures Limited Employee Stock Option Scheme, 2007 and Employee Stock Option Scheme, 2009 in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, are set out in **Annexure II** to this Report and forms part of this report.

INVESTORS' RELATIONS AND GRIEVANCES

Investors' Relations have been cordial during the year. As a part of compliance, the Company has formed Shareholders' and Investors' Grievance committee to address the issues relating to investors. There were no investor grievances pending as on 31st March, 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, the Directors of the Company hereby state and confirm:

- i. That in the preparation of the Annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. That they had selected such Accounting policies, applied them consistently, made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;
- iii. That they had 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;
- v. That they had prepared the annual accounts on going concern basis.

DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY

Mobile Learning & Infotainment Centre



Football



Support Classes



Drawing Competition



Overflowing Reading Class session



MLIC Engagement



Your Company strives to be a trusted and responsible member of the community in which it works.

IndiaCo has a social commitment towards the environment, consumers, employees, community, stakeholders and society, at large.

Apart from the Company's business activities which focus on clean and green technologies, the Company also performs voluntary actions that contribute to sustainable living through supporting the Companies which are in the business of clean energy.

IndiaCo promotes education and entrepreneurship at the grassroots level. Under its academic bridge program 'Innovate with IndiaCo', your company has been actively engaged in a special initiative to promote development and entrepreneurial spirit in India. The objective of this program is to facilitate exchange of resources between the entrepreneurs, the academic community & investors, for the purpose of innovation, invention and creating sustainable business enterprises.

IndiaCo continues to support pre-school and primary education with emphasis on the underprivileged sections of the local community. For the past 5 years, IndiaCo companies have been supporting the Identity Foundation; an NGO dedicated to educating and nurturing deprived children.

IndiaCo is pleased to report that through the Identity Foundation (www.identityfoundation.org), you have touched the lives of numerous children and contributed to a better future for them. While your Vice-Chairman and Managing Director continues to be personally committed to Identity Foundation's activities in Pune, partners include a few of the city's leading corporate houses, the Pune Municipal Corporation, companies, friends and corporate partners.



DIRECTORS' REPORT

Your company and its employees continue to contribute a part of their monthly salary to Identity Foundation. Besides the Identity Foundation, we also support other NGO's that are engaged in various social activities targeted to benefit the community at large.

The Company undertakes internal and external initiatives which meet the goals of Sustainability.

LISTING OF SHARES

The Company's shares continue to remain listed with Bombay Stock Exchange, where the shares are actively traded.

INTERNAL CONTROL SYSTEM

The Company's internal control system comprises audit and compliance by in-house internal audit division supplemented by internal audit checks from Mr.S.K.Doshi & Company, Chartered Accountants. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by the direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

AUDITORS' REPORT

The observations of Auditors in their report, read with the relevant notes to accounts are self- explanatory and do not require further explanation.

HUMAN RESOURCE DEVELOPMENT

Your Company takes great pride in the commitment, competence and vigor shown by its workforce in all realms of business. The Company continues to take new initiatives to further align its HR policies to meet the growing needs of its business. Company has adopted an HR manual covering rights and obligations of its employees.

Overview of the Operations of IndiaCo Ventures Limited

Overview

- IndiaCo is an investment & financial services firm listed on the Bombay Stock Exchange that provides growth capital, strategic direction and hands-on operational & financial expertise to fast growing companies
- We invest our proprietary capital, manage Private Equity funds and also provide PE placement and M&A advisory services
- We select Investee companies within strictly defined parameters, where we can bring about positive change through strategic, financial, technological and operational involvement, thus revolutionizing the company's fundamental parameters; our investments are either standalone or made through aggregation vehicles
- Our deals are marked by a high degree of involvement of our management team, having over 100 years of combined experience in investments, investment banking & financial services
- IndiaCo has to its credit:
 - ♦ Taking several companies to the IPO through listing on national and international exchanges
 - ♦ Advised investments of over \$100 Million
 - ♦ Its team has providing strong returns to investors (in excess of 50% IRR)

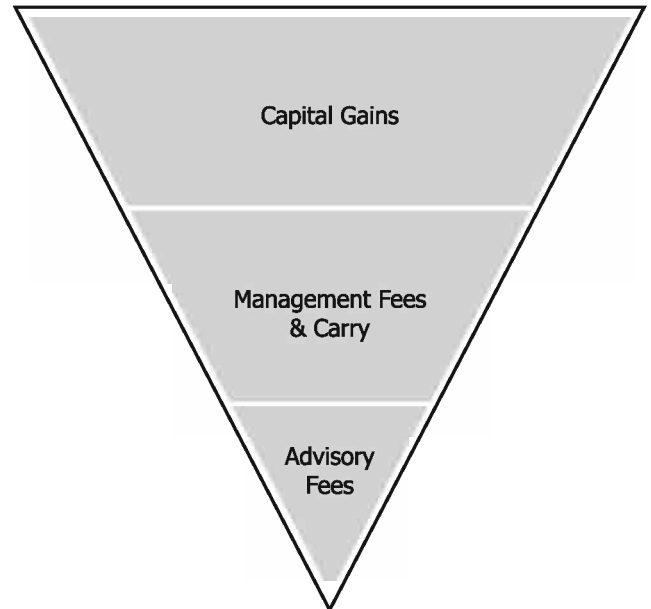


DIRECTORS' REPORT

- IndiaCo believes in strong corporate governance – one of the only companies to have majority of the board comprising of independent directors.

Group Structure

- Private Equity
 - ~ Investment in private companies (Aggregation Vehicles)
 - ~ PIPE
- Fund Management
 - ~ Fund Advisory
- Investment Banking
 - ~ Advisory : Management consulting services targeted towards IndiaCo portfolio and selected external clients
 - ~ Venturing : Provides enterprises with a well-defined product / technology strategy road map



Corporate Structure



All companies are 100% subsidiaries of IVL

Asset Management - Private Equity Fund Advisory

- Leveraging its successful proprietary investing track record and its team's strong experience, IndiaCo is in the process of raising two private equity funds :

DIRECTORS' REPORT

- ◆ IndiaCo Energy Efficiency Fund: USD 60 million niche fund supported by the Asian Development Bank, European Investment Bank and the United Nations Environment Program laser focused on technology transfer in the
- ◆ IndiaCo India Fund: USD 25 million mid-cap buyout fund focused on the Indian hospitality, entertainment and other consumer driven sectors.

- Investment Strategy
- Select companies, where IndiaCo can add maximum value in strategy, technology, finance and growth
- Leverage IndiaCo's pan Indian and global relationships to spur organic and inorganic growth Optimize the capital structure to create maximum impact on bottom line. Reduce risk through low entry valuations, by mitigating key exposures and through better governance
- Excellent opportunity for investors to leverage:
 - ◆ The India growth story
 - ◆ Attractive entry valuations, and
 - ◆ Partner with IndiaCo, a proven successful investor

Aggregation Vehicals

- Aggregation vehicles are structured as co-investment vehicles with IndiaCo driving the investments, synergies and exits. Our returns are in the form of long-term capital appreciation.
- In each aggregation vehicle, IndiaCo will invest its proprietary capital in multiple companies and seek to drive synergies and reduce risk within the portfolio
- IndiaCo enhances growth and profitability in portfolio companies through:
 - ◆ Access to world class domain and management experts
 - ◆ Timely access to funds
 - ◆ Efficiencies of scale
 - ◆ Customer and geographical synergies
 - ◆ Financial and operational optimization
- We focus on an exit strategy through public listing, by aggregating investments in a pool of sector-focused companies
- IndiaCo aggregation Vehicles are currently structured under 3 key themes:
 - ◆ Telecom
 - ◆ Wellness
 - ◆ Media

SUBSIDIARIES

A brief profile of the subsidiary Companies and their main financial parameters for 2010-11 are provided in the Annexure hereto.



DIRECTORS' REPORT

IndiaCo Telecom Private Limited

IndiaCo Telecom Private Limited (ITPL) is a subsidiary of IndiaCo Ventures Limited. IndiaCo Telecom Pvt. Ltd. has been formed as a special purpose vehicle focusing on investing in companies manufacturing telecom infrastructure hardware products like antennas, couplers, VoIP products and handsets, telecom infrastructure products and services e.g. operation & maintenance, software applications and mobile content, m-commerce, application development, and content delivery platforms. Your company has already invested in two companies and considering further investment in 3-4 potential opportunities.

IndiaCo Healthcare Private Limited

IndiaCo has created a special purpose vehicle (SPV) in the healthcare sector, which is a subsidiary of IndiaCo Ventures Limited. We have identified the key areas within the sector, which are growing exponentially and have decided to integrate them into our focus areas. We are primarily looking at tertiary services in the healthcare segment, including diagnosis and treatment of disease and disability in sophisticated large research, specialized intensive care units, advanced diagnostic support services, specialist cancer care, neurosurgery, burns care and plastic surgery, research in biotechnology, stem cell technology, etc.

IndiaCo Advisors Private Limited

IndiaCo Advisors Private Limited is a subsidiary of IndiaCo Ventures Limited. IndiaCo Advisors Private Limited serves as a special purpose vehicle which prima-facie focuses on the advisory part of IndiaCo Ventures Limited Asset Management Business.

IndiaCo Capital Private Limited

IndiaCo Capital Private Limited is a special purpose vehicle (SPV) of IndiaCo Ventures Limited which specially manages the investments of the IndiaCo Ventures Limited in stocks of various companies across the various industries. It handles both types of stock which includes stocks of listed entities and non-listed entities.

PORTFOLIO COMPANIES



INFO DYNAMIC TELESYSTEMS PVT. LTD.

"IndiaCo handholding and platform is an opportunity for companies who want to scale and evolve. With Info Dynamic, IndiaCo harmony has always resulted in incremental maturity."

- MR. SATYAJEET LIMAYE
MD AND CEO, INFO DYNAMIC TELESYSTEMS PVT LTD.

Website: www.infodynamicgroup.net





DIRECTORS' REPORT

Info Dynamic Telesystems Private Limited, incorporated in 2002, is a leading telecom infrastructure and services company that provides Engineering and Managed Services functions for Indian and overseas leading telecom companies.

The company has focused on qualitative expansion and innovative business initiatives. It now has pan India operations with all leading TowerCo's and services strategic and important networks that demand high uptime requirements.

Future plans

Subsequent rounds of successful investment in IndiaCo's leadership has resulted in deepening the assignment base on existing geography as well as higher involvement with each customer.

The company now leads new trends in managed services and is poised to become the largest managed services player in the industry. Such accomplishments are possible due to strong orientation with stakeholders like IndiaCo.



LASER COSMETICS PVT. LTD. – MAAYA KLINIK

Maaya Klinik is a first-of-its-kind day care medical facility in India for cosmetic surgery, stem cell procedures, facial bone sculpting, hair transplantation & laser therapies. The Klinik was started by Professor Dr. Krishna Shama Rao, an internationally acclaimed cosmetic and craniofacial surgeon.

DR. KRISHNA SHAMA RAO,
FOUNDER, LASER COSMETICS PVT. LTD.
 Website: www.maaya.in / www.maayaklinik.com



Journey

Maaya Klinik commenced activities in mid 2006. In the last three years of its existence, Maaya has provided surgical services such as liposuction, cosmetic breast surgery, nose reshaping, facial bone sculpting, etc to clients within India and abroad. They have several clients for LASER therapies for needs such as unwanted hair removal, skin scars, post-acne scars, skin rejuvenation & other cosmetic dermatology related issues. Maaya Klinik uses some of the most advanced LASER equipments in the world at its Kliniks. IndiaCo has worked alongside Maaya Klinik to provide a strategic roadmap for the growth of the company, management advice on strategic initiatives and identify and provide access to business connections.

The company intends to upgrade and enhance the world class setup in Bangalore in order to cater to the growing clientele from India and abroad. The company is planning franchisees and is in the process of evaluating the setting up of stand-alone centers equipped with stem cell labs in Trinidad, Sri Lanka and the Middle East with the help of IndiaCo.



DIRECTORS' REPORT

incucapital

"Incucapital is strategic investment from IndiaCo. Incucapital has been able to leverage the great platform for the growth and development that IndiaCo has provided; for 'IncuCapital' it has been a great opportunity to work in association and guidance of 'IndiaCo'. IndiaCo is a great mentor and we have been able to scale and evolve rapidly due to their support."

Mr. Manish Kumar
Founder Director- IncuCapital Advisors Private Limited
Web Site : www.incucapital.com



IncuCapital is a Venture Capital firm in India that does early stage incubation and funding. It is a group company of IndiaCo Ventures Ltd., a BSE listed Private Equity player in India.

IncuCapital is working on developing a startup platform across India for physical incubation. We partner with professional academic institutions across the nation and setup base incubators in various different domains like B-Schools, engineering, medicine/pharma and even niche domains like law and hotel management, etc. to help startups ideas across industry domains get incubation support in the right institute environment for them. IncuCapital's goal, at this stage, is to transform teams with ideas/concepts to validated operating companies that are 'fundable'.

IncuCapital's value creation process is proven as we inherit a long lineage from IndiaCo. At very early stage we allow a promising concept to develop further by incubating it. The startup team is supported to build the basic concept into a operating product or service business and also get some customer validation. When the company reaches a point that it becomes fundable, our fund managers evaluate the company for funding or co-funding with our partners like the angel groups or other peer venture capital firms.

We are largely agnostic In terms of selecting Ideas for Incubation or funding, though we are careful to choose, who we work with. We are hands on and are willing to risk our investment alongside all capable management teams.

IncuCapital has partnered with many peer funding organisations like Indian Angel Network, Mumbai Angels and some other Venture Capital firms as well. Microsoft recently appointed IncuCapital as its BizSpark Network Partner.

IndiaCo recently won Best Practices In Science Based Incubators award at the 9th Annual Incubation Conference and Awards on Best Practices in Science Based Incubation in Liverpool for its philosophy behind creating IncuCapital for early stage.

DIRECTORS' REPORT



VERITY TECHNOLOGIES PVT. LTD.

"IndiaCo offered us an understanding of how high growth businesses are built on a foundation of defensible IPR and sound business models. We look forward to leveraging the same in the coming year as we reach the point of inflexion on our growth curve.

- MRS. ANURADHA BANSAL
MD AND CEO, VERITY TECHNOLOGIES PVT LTD.
 Website: www.veritytech.com



Verity aims to create a paradigm shift in Payments Services Sector through an 'anonymous' secure card that meets Privacy Enhancing Norms of EU, is compatible with all commonly used Financial Transaction Standards as well as RBI Guidelines for Mobile Payments. Blue ID, Verity's flagship product, uses the cell phone as a medium of connectivity rather than a consuming node. It seamlessly integrates with any mobile application to provide 'usable security' to the application.

Verity has participated in the roll out of R-World, India's largest Mobile VAS platform for Reliance Communications and monetized it with over 150 customer facing applications, which serve over 100 million data subscribers to date. Other clients include Vodafone, Spice Telecom, Idea Cellular, Tally, Motorola (India), National Informatics Center (Govt. of India). Verity has been funded by Indiaco Ventures Limited, Technology Development Board and Bennett and Coleman. Verity is recognized by the Government of India, Department of Science and Technology and Department of Information Technology.

Future plans

Verity's product suite typically sees very high scalability potential, hence the key is to create a significant access route for the product into the marketplace. These shall soon serve millions of people in India across social strata, by creating a social service delivery platform on Mobile Phones under the auspices of Indian Government's prestigious SDP Project. The SDP is slated for launch in December 2011.

PRESENT INVOLVEMENT

The company has expanded its operational area to actively pursue Investment Banking as well. Promising opportunities which do not fit into the funds mandate are passed on to the company's associates for a fee, increasing the revenues of the company. Several such initiatives are in active discussions.



DIRECTORS' REPORT

OUTLOOK

The Company's activities comprise mainly of providing financial services, capital (investment) and operational expertise to select industry verticals. The market for such services and investments in India remains buoyant and the company is geared to face the challenges of a liberalized and growing economy. India remains an attractive destination for domestic as well as foreign investors and the inflow of foreign capital is supporting the country's march towards economic prosperity. IndiaCo is leveraging its network of associates to raise capital (both domestic and foreign) for investments into the various growth sectors of the economy such as Telecom, Health Care, Clean Energy, Manufacturing, IT & ITES and Real Estate. The company is aggressively pursuing investment opportunities and has lined up an attractive deals bucket in almost all of the above sectors.

OPPORTUNITIES

The Indian financial system has embraced globalization and deregulation over the past decade, while increasingly leveraging on technology for greater transparency and inclusive developments in the economy. The increasing global integration of the Indian financial markets coupled with the increasing dependence on technology the world over, to essentially revolutionize the way markets function, provides IndiaCo with enormous opportunities for growth. IndiaCo has the requisite pedigree, track record, team and the core competence to harvest these opportunities in a manner beneficial to all the stakeholders involved. Your company is engaging the right talent to ensure it achieves its aim to become the world's largest Financial Services Company in the years to come.

THREATS

The opening up of the financial sector to foreign Venture Capital / Private Equity remains a threat to the company's business, due to the increasing competition in the market. These foreign firms have access to huge amounts of investment capital and this may impact the quality of investment opportunities available to the company. With the increased liquidity in the markets, a small number of good investment opportunities are being aggressively chased by a huge amount of capital, and hence your company may be forced to look at investment avenues other than those mandated earlier.

RISKS & CONCERNS

The Company does not foresee any major threats or risks, yet there exist certain macro-economic challenges in sustaining the growth momentum. The turmoil in global financial markets and the unexpected swings in sensex have caused the company valuations to plummet drastically and an create uncertain environment. In spite of this, the private equity market in India continues to provide positive indicators. Your company has been able to partially insulate itself from any severe effects, as it invests primarily in private companies which are not listed on the stock exchange. Thus, the volatility of the secondary markets does not have a direct negative effect on our financials. We are able to assure our shareholders of steady and resilient growth.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Government authorities and Bankers for the assistance, co-operation and encouragement they extended to the Company. For the continuing support and unstinting efforts of Investors, Dealers, Business Associates and Employees in ensuring an excellent all around operational performance, your directors also wish to place on records their sincere thanks and appreciation.



DIRECTORS' REPORT

CAUTIONARY STATEMENT

Statements made in the report, including those stated under the caption 'Management Discussion & Analysis' describing the Company's plan, projections and expectations may constitute 'forward looking statement' within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied.

For and on behalf of the Board of Directors

sd/-
Rahul Patwardhan
Vice Chairman & Managing Director

sd/-
Executive Director

sd/-
Aniket Deshpande
Company Secretary

Place: Pune
Date: 12/08/2011



DIRECTORS' REPORT

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE 'I' TO THE DIRECTORS' REPORT

Statement of Particulars under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 forming part of Directors' Report for the year ended 31st March, 2011.

1. CONSERVATION OF ENERGY

Company's Energy consumption is minimum. As the company is engaged in financial services sector, the directors have nothing significant to report under this head.

2. TECHNOLOGY ABSORPTION

The Company has not undertaken any Research & Development activity, hence the Directors have nothing significant to report under this head.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosure of information relating to foreign exchange earnings & outgo as required under Rule 2(c) is already given in 'Notes to Accounts' forming part of the Audited Annual Accounts.

ANNEXURE 'II' TO THE DIRECTORS' REPORT

Pursuant to the applicable requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines', following disclosures are made in connection with the 'IndiaCo Ventures Limited- Employee Stock Option Scheme, 2007'.

Sr. no	Description	Details
1.	Name of the Scheme	ESOS 2007
	Total Number of options to be granted under the plan	1,00,000 options
2.	Options granted during the year	301375
3.	Pricing Formula	The Compensation Committee shall grant options at either of the following prices: 1.The latest available closing market price prior to the date of grant of the shares of the company on the exchange having the highest trading volume

DIRECTORS' REPORT

		<p>2. At a discount of 10% on the latest available closing market price prior to the date of grant of the share of the company on the exchange having the highest trading volume</p> <p>3. At a discount of 20% on the latest available closing market price prior to the date of grant of the shares of the company on the exchange having highest trading volume</p> <p>4. At a discount of 30% on the latest available closing market price prior to the date of the grant of shares of the company on the exchange having highest trading volume</p> <p>5. At a discount of 40% on the latest available closing market price prior to the date of grant of shares of the company on the exchange having the highest trading volume</p> <p>6. At a discount of 50% on the latest available closing market price prior to the date of grant of the shares of the company on the exchange having the highest trading volume</p>
4.	Options vested as on 31 st March 2011	65494
5.	Options exercised during the year	1950
6.	Total number of shares arising as a result of exercise of options as on 31 st March 2009	N.A.
7.	Options lapsed/ cancelled during the year	207875
8.	Variations of terms of options	N.A.
8.	Money realized by exercise of option during the year	N.A.
9.	Total number of options in force at the end of year	NIL

DIRECTORS' REPORT

10.	Employee-wise details of options granted to Senior Managerial Personnel as on 31 st March, 2011							
11.	Employees who were granted options amounting to 5% or more of the options granted during the year	<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">Ganesh Kamathe</td> <td style="width: 30%;">550</td> </tr> <tr> <td>Vasant Zunjarrao</td> <td>700</td> </tr> <tr> <td>Vijay Bhonsale</td> <td>700</td> </tr> </table>	Ganesh Kamathe	550	Vasant Zunjarrao	700	Vijay Bhonsale	700
Ganesh Kamathe	550							
Vasant Zunjarrao	700							
Vijay Bhonsale	700							
12.	Employees who were granted options in any one year equal to or exceeding 1% of the issued capital of the company at the time of grant	Nil						
13.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20 (AS-20)	N.A.						
14.	The impact of difference on profits and on EPS of the Company where the Company has calculated the employee compensation cost using the intrinsic value of the stock options	Appendix-1						
15.	<ol style="list-style-type: none"> 1. Weighted average exercise price of options granted during the year whose 2. Weighted average fair value of options granted during the year whose 	<ul style="list-style-type: none"> • Exercise price is less than market price • No options granted 						



CORPORATE GOVERNANCE

INDIACO'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance sets forth guidelines for managing and sustaining a transparent, information-oriented culture wherein authority and responsibilities are co-existent and co-extensive. It also provides guidelines on accountability of various positions within the organization. These values govern not only the Board of Directors, but also the management and the employees of the Company. This Governance protects and balances the interests of all stakeholders thereby enhancing shareholder value.

The Company's goal is to find creative and productive ways to delight its stakeholders i.e. Investors, Associates and Society, thereby fulfilling the role of a responsible corporate representative committed to best practices. Corporate Governance assumes a great deal of importance in the business life of IndiaCo and is not just adherence to mandatory rules & guidelines but lies in observing the spirit behind the letter. The driving forces of Corporate Governance at IndiaCo are its core values - Associate Delight, Investor Delight, and the Pursuit of Excellence.

IndiaCo believes that sound Corporate Governance practices provide an important framework to help the Board of Directors fulfill its responsibilities. The Board is elected by shareholders. It is responsible for setting strategic objectives to management and ensuring that the stakeholders' long term interests are served. It does so by adhering to and enforcing the principles of sound corporate governance. Thus, the management is responsible to establish and implement policies, procedures and systems to enhance the long-term value of the Company and delight all of its stakeholders.

We believe that sound corporate governance is critical to enhance and retain stakeholders' trust. Accordingly, we always seek to ensure that we attain our performance rules with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long term shareholder value and respect minority rights in all our business decisions.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of law and not just the letter of the law. Corporate governance standards should go beyond the law
- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose
- Make a clear distinction between personal conveniences and corporate resources
- Communicate externally, in a truthful manner, about how the Company is run internally
- Have a simple & transparent corporate structure driven solely by business needs
- Management is the trustee of the Shareholders' capital and not the owner

The Board of directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports IndiaCo's compliance with existing as well as the revised Clause 49 and highlights the additional initiatives taken in line with international best practices.



CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS

Size and Composition of the Board

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate the Board functions of governance and management. The Board consists of 5 members, 2 are executive or full time directors, 3 are independent directors. One of the executive director is our founder. The Company does not have any nominee director. The Board periodically evaluates the need for change in composition of its size.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 committees across all the Companies in which they hold Directorship. All the Directors have made necessary disclosures regarding committee positions occupied by them in other companies.

The Constitution of the Board as on March 31, 2011 is given below:

Name of Director	Category
Mr. Rahul Patwardhan	Vice Chairman & M.D. [Promoter]
Mr. Shyam Iyer	Executive Director
Mr. Dhiren Shah	Non-Executive Director [Independent]
Mr. Brian Brown	Non-Executive Director [Independent]
Mr. Mohit Burman	Non-Executive Director [Independent]

Scheduling & Selection of agenda items for Board meetings

The meetings of the Board are generally held at the registered office of the Company. The Company Secretary prepares the agenda for each meeting, along with explanatory notes, in consultation with the board members and circulates the same in advance to the Directors. Every Board member is free to suggest items for inclusion in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. Independent directors are expected to attend at least four Board meetings in a year. However, the Board being represented by independent directors from various parts of the world, it may not be possible for each one of them to be physically present at all the meetings. We effectively use tele-conferencing facilities to enable their participation.

Board Meetings

Six (6) Board Meetings were held during the year 2010-11 and the maximum gap between any two meetings was less than 3 months.

The dates on which the Board Meetings were held are as follows:

CORPORATE GOVERNANCE

Financial Quarter 2010-11	Dates of the Board Meetings
1 st Quarter ended 30 th June, 2010	<ul style="list-style-type: none"> • 15th April, 2010
2 nd Quarter ended 30 th September, 2010	<ul style="list-style-type: none"> • 12th August, 2010 • 27th August 2010 • 30th September 2010
3 rd Quarter ended 31 st December, 2010	<ul style="list-style-type: none"> • 27th October 2010
4 th Quarter ended 31 st March, 2011	<ul style="list-style-type: none"> • 27th January, 2011

Directors' Attendance record and Directorships held

The information as required under Annexure 1A to the Clause 49 of the Listing Agreement is made available to the Board. The agenda for the Board meetings were circulated prior to the meeting. Adequate information is circulated as part of the Board papers containing all the important and adequate information for facilitating deliberation at the meeting. The dates on which the Board meetings were held and the attendance thereat during the financial year ending 31st March, 2011 are as follows:

S. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	14 th April 2010	9	5
2.	12 th August 2010	9	5
3.	27 th August 2010	7	5
4.	30 th September 2010	5	3
5.	27 th October 2010	5	3
6.	27 th January 2011	6	4

Memberships in other Boards

Executive Directors may, with the prior consent of the Board of Directors, serve on the Board of one other business entity, provided that such a business entity is not in direct competition with our operations. Independent directors are not expected to serve on the Boards of competing Companies. Other than this there are no limitations on them, save those imposed by law and good corporate governance practices. The details of outside directorships held by each of our directors are given in the table below:

Name of the Director	Category of Directorship	Number of Directorships in other Public Limited Companies	Number of Committee positions held in other Companies	
			Chairman	Member
Mr. Rahul Patwardhan	Executive	-	-	2
Mr. Shyam Iyer	Executive	-	-	-
Mr. Dhiren Shah	Independent	-	-	-
Mr. Brian Brown	Independent	-	-	-
Mr. Mohit Burmon	Independent	-	-	-



CORPORATE GOVERNANCE

Availability of Information to Board members

The Board has unfettered and complete access to any information within the Company and to any of our employees. Sufficient information is regularly provided to the Board as a part of agenda papers or is tabled in the course of the Board meeting. Where it is not practicable to attach or send relevant documents along with Agenda, the same are tabled at the meeting. At Board meetings, officers who can provide additional insights into the items being discussed, are invited.

Discussion with independent directors'

The Board's policy is to regularly have separate meetings with independent directors to update them on business-related issues and new initiatives. In such meetings, the Executive Directors and other members of the senior management make presentations on relevant issues.

Remuneration paid to Directors

The Company pays remuneration by way of Salary, Allowances and Perquisites to the Vice Chairman and Managing Director and the executive director as approved by the Board of Directors.

Details of Remuneration paid to Mr. Rahul Patwardhan, Vice-Chairman & Managing Director during the period 1st April, 2010 to 31st March, 2011 are as follows:

Details of Remuneration

Name of the Director	Salaries, Perquisites	Total
Rahul Patwardhan	15,29,400	15,29,400

IndiaCo has a well-defined policy framework, which lays down procedures to be followed by Board Members, Senior Management and employees for ethical professional conduct. The code outlines fundamental ethical considerations as well as specific considerations that need to be maintained for professional conduct. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Vice-Chairman & Managing Director to this effect is enclosed at the end of this report.

2. COMMITTEES OF BOARD

IndiaCo has four Board level committees - Audit Committee, Compensation Committee, Shareholders Grievance Committee and Investment Committee (non-mandatory).

All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of service for committee members is taken by the Board of Directors. Details on the role and composition of these committees, etc. are provided below:

a) AUDIT COMMITTEE

Purpose: The primary objective of the audit committee (the committee) shall be to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures, and transparency, integrity and quality of financial reporting.

The committee shall oversee the work carried out in the financial reporting process by the management, the



CORPORATE GOVERNANCE

internal auditors and the independent auditor and shall note the processes and safeguards employed by each.

The Audit Committee consists of the following members namely:

1. Mr. Dhiren Shah - Chairman
2. Mr. Brian Brown - Member
3. Mr. Rahul Patwardhan - Member

The Audit Committee has been mandated with the terms of reference as are specified in Clause 49 of the Listing Agreement with the Stock Exchanges.

The Audit committee met four times on 15th April 2010, 27th August 2010, 27th October 2010, and 27th January, 2011 during the year under review.

b) REMUNERATION/ COMPENSATION COMMITTEE

The Board has formed a Compensation Committee, as an additional regulatory mechanism. The said Committee is having a mandate to determine the Company's policy on specific remuneration packages for executive directors. It disconnects the Board of the responsibilities relating to compensation of the company's executive directors & senior management.

The Compensation committee presently consists of the following directors namely:

1. Mr. Dhiren Shah - Chairman(non-executive)
2. Mr. Brian Brown - Member (non-executive independent)
3. Mr. Shyam Iyer - Member (Executive)

Mr. Dhiren Shah is the Chairman of the committee.

Compensation committee met on 12th August 2010.

c) INVESTORS' / SHAREHOLDERS' GRIEVANCE COMMITTEE

The committee consists of one non-executive directors and one executive director namely Mr. Dhiren Shah as Chairman, and Mr. Rahul Patwardhan as Members. The functioning and terms of reference of the Committee are as prescribed and in due compliance with the Listing Agreement with the Stock Exchange and include reviewing existing Investor Redressal System, redressing of shareholder complaints like delay in transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc., and suggesting improvements in investor relations.

Name of the Chairman	Mr. Dhiren Shah
Name & Designation of Compliance Officer	Mr. Aniket Deshpande, Company Secretary & Compliance Officer
No. of Shareholders' complaints received so far	Nil
No. not solved to the satisfaction of shareholders	Nil
No. of pending complaints	Nil



CORPORATE GOVERNANCE

Compliance Officer

As per the Listing Agreement and guidelines and regulations issued by the Securities and Exchange Board of India (SEBI), Mr Aniket Deshpande, Company Secretary of the Company is the Compliance Officer of the Company and can be contacted at:

Mr Aniket Deshpande
Tel: + 91.20.25560254/ +91.20.66873914
IndiaCo Ventures Limited
4th Floor, Symphony, S. No. 210 A/1,
Range Hills Road, Shivaji Nagar, Pune 411 020
Maharashtra
India
Email:investorrelations@indiaco.com

Further, no complaints have been received by the Company during the year under review.

d) INVESTMENT COMMITTEE

Members of the Committee

1. Mr. Rahul Patwardhan
2. Mr. Shyam Iyer
3. Mr. Dhiren Shah
4. Mr. Siddharth Rahalkar

The Company has formed an Investment Committee, which although not mandatory as per SEBI guidelines, has been set up by IndiaCo as an additional regulatory mechanism taking into consideration the objectives of the Company's operations. The committee:

1. Reviews and approves management's recommended investment objectives, policies and guidelines that direct the investment of the fund.
2. Reviews and evaluates the performance of the investment portfolio regularly, to assure adherence to policy guidelines and monitor progress towards achieving investment objectives.

3. MANAGEMENT

Disclosures

a) Materially Significant Related Party Transactions

The particulars of transactions between the Company and its related parties as per Accounting Standard-18 (AS-18) are set out at Note 16 in Notes to Accounts. However, these transactions are conflicting with interest of the company.

b) Details of non-compliances by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital markets, during the financial year.



CORPORATE GOVERNANCE

The Company has complied with the requirements of the Listing Agreement with the Stock Exchange as well as the regulations & guidelines prescribed by SEBI. There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to the Capital markets during the year.

c) As regards non-mandatory requirements of Corporate Governance norms, the Company has complied with the constitution of Remuneration Committee/ Compensation Committee and Investment Committee.

d) Management Disclosure

No transactions of material nature has been entered by the Company with its Directors or Management and their relatives, etc. that may have potential conflict with the interest of the Company. The register of the contract containing transactions in which Directors are interested is placed with the Board regularly.

Code of Ethics and Conduct

IndiaCo has a well-defined policy framework, which lays down procedures to be followed by employees for ethical professional conduct. The code outlines fundamental ethical considerations as well as specific considerations that need to be made maintained for professional conduct.

The Vice Chairman & Managing Director and Executive Director & COO have affirmed to the Board that this Code of Ethics and Conduct has been complied by the Board members and Senior Management.

4. SHAREHOLDERS

GENERAL BODY MEETING

Details of location and time of holding of last three AGMs

AGM	Financial year	Venue	Date	Time	No. of Special Resolutions passed
25 th AGM	31 st March 2008	IndiaCo Center, 4 th Floor, Symphony, S. No. 210A/1, Range Hills Road, Shivaji Nagar, Pune – 411020, Maharashtra (India)	26 th September, 2008	10. A.M.	2
26 th AGM	31 st March 2009	Hotel Sayaji, Mumbai- Banglore Highway, Wakad, Pune- 411057	29 th September, 2009	10. A.M.	2
27 th AGM	31 st March 2010	Hotel Sayaji, Mumbai- Banglore Highway, Wakad, Pune- 411057	24 th September, 2010	10. A.M.	2



CORPORATE GOVERNANCE

MEANS OF COMMUNICATION

- a) Quarterly Reports: Quarterly reports are published in 'The Indian Express'/ Economic Times and 'LokSatta'.
- b) News Releases, Presentations, etc.: Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.indiaco.com. Official Media releases are sent to the Stock Exchanges.
- c) Website: The Company's website, www.indiaco.com contains a separate dedicated section 'Investor relations' where shareholders' information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.
- d) Annual Report: Annual Report containing, inter-alia Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion & Analysis Report forms part of the Annual Report.
- e) Vice Chairman's Communique: Printed copy of the Vice Chairman's speech is distributed to all the shareholders at the Annual General Meetings. It is also sent to all shareholders who do not attend the Annual General Meeting. The same is also placed on the website of the Company.
- f) Designated Exclusive email-id: The Company has designated the following email-ids exclusively for investor servicing.
investorrelations@indiaco.com
info@indiaco.com

The Company does not send its half yearly report to shareholders, share holders are requested to visit www.indiaco.com or www.bseindia.com

GENERAL SHAREHOLDER INFORMATION

Company Registration Details

The Company is registered in the state of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is L51909PN1983PLC129492.

The financial year of the Company is for a period of 12 months from 1st April to 31st March every year.

AGM: Date, Time & Venue	28 th Annual General Meeting on Thursday 29 th September, 2011 at 10.00 a.m. at the Registered office of the Company situated at 4 th Floor, IndiaCo Center, Symphony, Range Hills Road, Shivaji Nagar, Pune-411020.
Date of Book Closure	21.09.11 - 29.09.11
Financial Calendar (Tentative) Results for the quarter ending June 30, 2011 Results for the quarter ending September 30, 2011 Results for the quarter ending December 31, 2011 Results for the quarter ending March 31, 2012	Last week of July, 2011 Last week of October, 2011 Last week of January, 2011 Last week of April, 2012

CORPORATE GOVERNANCE

Listing of Company's Shares	The Company's shares are listed on Bombay Stock Exchange (BSE)
Scrip Code	506131
ISIN No.	INE064E01010
Payment of listing fees	Annual listing fee for the financial year as applicable has been paid by the Company to the BSE.

STOCK MARKET DATA

Period	IndiaCo		Sensex	
	High	Low	High	Low
April, 2010	76.00	57.05	18047.86	17276.80
May, 2010	62.45	52.15	17536.86	15960.15
June, 2010	60.00	49.55	17919.62	16318.39
July, 2010	59.40	42.90	18237.56	17395.58
August, 2010	57.90	35.05	18475.27	17819.99
September, 2010	40.80	31.50	20267.98	18027.12
October, 2010	34.05	29.75	20854.55	19768.96
November, 2010	36.00	25.30	21108.64	18954.82
December, 2008	31.05	24.00	20552.03	19074.57
January, 2011	37.90	25.25	20664.80	18038.48
February, 2011	35.00	22.00	18690.97	17295.62
March, 2011	30.75	21.05	19575.16	17792.17

SHAREHOLDING PATTERN AS ON 31st March, 2011

Category	No. of Shares	Percentage
Promoters	7342000	39.61
Mutual Funds & UTI	Nil	Nil
Banks, Financial Institutions & Insurance Companies	Nil	Nil
FII's	593960	3.20
Corporates	5633392	30.39
Individuals	2325454	12.54
NRIs/ Foreign Nationals/ OCB	479904	2.59
Clearing Members	49865	0.27
Foreign Corporate Body	2112210	11.39
Total	18536785	100

REGISTRAR & TRANSFER AGENTS

The Company has appointed M/s Universal Capital Private Limited, whose address is given below, as its Registrars & Transfer Agents. The Registrar handles and is delegated all matters relating to the shares of the Company including transfer, transmission of shares, dematerialization of shares certificates, sub-division/ consolidation of share certificates.



CORPORATE GOVERNANCE

M/s Universal Capital Private Limited
21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai- 400093
Tel: (022) 28366620
E-mail id: mondkar_computers@rediffmail.com

DEMATERIALIZATION OF SHARES

The Company's shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL).

As on 31st March, 2009, 13,16,130 equity shares out of 17,11,221 equity shares have been dematerialized.

SHARE TRANSFER SYSTEM

All share transfer and other communications regarding share certificates, change of address, dividends, etc., should be addressed to Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 30 days from the date of lodgment, if documents are complete in all respects. In case, the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

COMPANY'S REGISTERED OFFICE ADDRESS

IndiaCo Ventures Limited,
4th Floor, Symphony, S. No. 210 A/1, Range Hills
Road, Shivaji Nagar, Pune 411 020 Maharashtra
Phone# +91.20. 25513264/ 25513254
Fax: 25513243
e-mail: info@indiaco.com



DECLARATION

The Board of Directors of the Company has adopted the code of conduct for the Directors and Senior Management of the Company. All the Board members and the senior management personnel have affirmed their compliance with the respective codes.

Date: 12.08.11

Place: Pune

sd/-

Rahul Patwardhan

Vice- Chairman & Managing Director



AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,

The Members of IndiaCo Ventures Limited

We have examined the compliance of conditions of Corporate Governance by IndiaCo Ventures Limited, for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records available, we state that as on 30th June, 2011, there were no investor grievances remaining unattended/ pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.J. Agrawal & Associates
Chartered Accountants

sd/-

S.J. Agrawal
Partner
Membership No: 030273

Date: August 12, 2011



AUDITORS' REPORT

To the Members of M/s. INDIACO VENTURES LIMITED

1. We have audited the attached Balance Sheet of M/s INDIACO VENTURES LIMITED as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the 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 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
 - c. The balance sheet, profit and 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 and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - 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 and on the basis of information and explanation given to us we report that none of the director is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the balance sheet, of the state of the affairs of the Company as at 31st March 2011;
 - ii) In the case of the Profit & Loss Account, of the Loss for the year ended on that date; and
 - iii) In the case of the cash flow statement, of the Cash Flow for the year ended on that date.

For S.J. AGRAWAL & ASSOCIATES,
Chartered Accountants

Sd/-

S. J. Agrawal

Partner

Membership No: 030273

Place: Pune

Date: 12th August, 2011



AUDITORS' REPORT

Annexure to the Auditor's Report

Ref: M/s INDIACO VENTURES LIMITED

Referred to in paragraph 3 of our report of even date

i) In respect of Fixed Assets

- a. The Company has maintained memorandum of records showing details of fixed assets with original cost and depreciation written off in respect of identifiable units of assets and where such information for identifiable units of assets is not available, the records show the cost and depreciation written off in respect thereof as a group or class. However, comprehensive fixed assets register is being compiled.
- b. All the assets have been physically verified by the management in accordance with the programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- c. During the year, the company has not disposed any assets.

ii) In respect of Inventories

According to the information and explanations given to us, the inventory of securities have been held in dematerialized form and are verified with the demat account statements at reasonable intervals.

According to the information and explanations given to us, in our opinion, the procedures of physical verification of shares held in Demat Account followed by the management are reasonable and adequate in relation of the size of the Company and the nature of its business.

The transaction-wise stock details are compiled for control over the stocks of securities and necessary details are obtained from the custodians of shares and securities from the Depository Participants. Discrepancies noticed on verification have been properly dealt with.

iii) According to the information and explanations given to us, the Company has not granted any loan secured or unsecured to the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses (iii) (b), (iii) (c) & (iii) d of the Order are not applicable.

As informed to us, the Company has not taken any loans, secured or unsecured, from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956. Accordingly clauses (iii) (f) & (iii) g of the Order are not applicable.

iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of audit, we have not observed any major weakness in such internal controls.

v) According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that needs to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (v) (a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable.

vi) As the Company has not accepted or renewed any deposit from the public, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable. No order 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.

vii) The Company has an internal audit system commensurate with the size and nature of its business.

viii) Paragraph 4(viii) of the Order is not applicable.

ix) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing, with the appropriate authorities, undisputed statutory dues.

AUDITORS' REPORT

According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and cess which have not been deposited on account of any dispute other than following :

Name of statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Assessment due	22.01	F.Y. 2005-06	ITAT Mumbai
	Assessment due	764.73	F.Y. 2007-08	CIT (Appeals) XXXII

- x) The Company does not have any accumulated losses at the end of the financial year and has incurred cash losses of Rs 92.41 (previous Year Nil) during the financial year.
- xi) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has no default as on the balance sheet date in repayment of dues to financial institutions or banks. The Company has not issued any debentures and hence any default for repayment on this account does not arise.
- xii) 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) Paragraph 4(xiii) of the Order is not applicable
- xiv) In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein; also the shares, securities, debentures and other securities have been held by the company, in its own name.
- xv) According to information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- xvi) Based on our examinations of the records and information and explanations given to us during the year no term loan has been obtained.
- xvii) According to the information and explanations given to us, and an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The company has not made any preferential allotment of shares during the year.
- ix) The company has not issued any debentures during the year nor there is any outstanding as on 31st March 2011.
- xx) The company has not raised any money by public issues during the year
- xxi) According to the information and explanations given to us, no fraud on or by company has been noticed or reported during the course of our audit.

For S.J. AGRAWAL & ASSOCIATES,
Chartered Accountants

Sd/-
S. J. Agrawal
Partner
Membership No: 030273

Place: Pune
Date: 12th August, 2011

**BALANCE SHEET****INDIACO VENTURES LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
		Rs.	Rs.
<u>SOURCES OF FUNDS</u>			
SHARE CAPITAL	A	37073570.00	34269670.00
RESERVES & SURPLUS	B	245388969.58	165566687.38
SECURED LOAN	C	0.00	302462.00
APPLICATION MONEY Warrants		0.00	87605300.00
DEFERRED TAX LIABILITY		1167000.00	862000.00
		283629539.58	288606119.38
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS	D		
GROSS BLOCK		55637810.90	54299592.90
LESS:DEPRECIATION		15330153.00	11661201.00
		40307657.90	42638391.90
INVESTMENTS	E	223562304.00	231001616.00
CURRENT ASSETS, LOANS & ADVANCES	F	15407956.68	17654412.48
LESS:CURRENT LIABILITIES & PROVISIONS	G	412635.00	3325972.00
		14995321.68	14328440.48
DEFERRED TAX ASSET		4649000.00	0.00
DEFERRED Expenditure		115256.00	637671.00
		283629539.58	288606119.38
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	I	-	-
AS PER OUR REPORT OF EVEN DATE For S.J. AGRAWAL & ASSOCIATES, Chartered Accountants		Sd/- Rahul Patwardhan	DIRECTOR
Sd/- (S.J. AGRAWAL)		Sd/- Dhiren Shah	DIRECTOR
Partner Mem. No. 030273		Sd/- Aniket Deshpande	COMPANY SECRETARY

Pune, Dated : 12th August 2011



PROFIT & LOSS ACCOUNT

INDIACO VENTURES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
		Rs.	Rs.
<u>INCOME</u>			
1 FROM OPERATION		2500000.00	26685000.00
2 INTEREST		549067.00	242577.00
3 DIVIDEND		108055.47	134667.07
5 PROFIT ON SALE OF INVESTMENT		2263494.70	23111068.50
6 OTHER INCOME		553181.86	141438.68
Total ->(a)		5973799.03	50314751.25
<u>EXPENDITURE</u>			
ADMINISTRATIVE & OTHER EXPENSES	H	15845343.83	14230076.44
DEPRECIATION		4327817.00	4794198.00
Total ->(b)		20173160.83	19024274.44
PROFIT FOR THE YEAR	Total (a-b)	-14199361.80	31290476.81
ADD (LESS) : CURRENT TAX		0.00	-4334000.00
TAX EFFECT OF TIMING DIFFERENCES ORIGINATING DURING THE YEAR NET		4344000.00	-222000.00
ADD (LESS): Reversal of ESOP Expense		1480669.00	0.00
PROFIT AFTER TAX		-8374692.80	26734476.81
Balance B/F		43543597.38	16809120.57
BALANCE CARRIED TO BALANCE SHEET		35168904.58	43543597.38

SIGNIFICANT ACCOUNTING POLICIES &
NOTES TO THE ACCOUNTS

I

AS PER OUR REPORT OF EVEN DATE
For S.J. AGRAWAL & ASSOCIATES,
Chartered Accountants

Sd/-
Rahul Patwardhan DIRECTOR

Sd/-
Dhiren Shah DIRECTOR

Sd/-

Sd/-
Aniket Deshpande COMPANY
SECRETARY

(S.J. AGRAWAL)
Partner

Mem. No. 030273
Pune, Dated : 12th August 2011



SCHEDULE & NOTES TO ACCOUNTS

INDIACO VENTURES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE "A"		
SHARE CAPITAL		
AUTHORISED		
6,50,00,000 Equity Shares of Rs.2/- each (Previous Year 1,30,00,000 Equity Shares of Rs.10/- each)	130000000	130000000
ISSUED, SUBSCRIBED & PAID UP		
1,85,36,785 Equity Shares of Rs.2/- each fully paid (Pr. Year 1,71,34,835 Equity Shares of Rs.10/- each fully paid) (of the above 85,56,105 Shares allotted as fully paid-up by way of bonus shares, by capitalisation of profits)	37073570.00	34269670.00
	37073570.00	34269670.00
SCHEDULE "B"		
RESERVES & SURPLUS		
Share Premium Account	207571765.00	119328865.00
Forfeiture - Warrant Money	1725300.00	0.00
Out Standing ESOP	923000.00	2694225.00
Profit & Loss Account	35168904.58	43543597.38
	245388969.58	155746794.57
SCHEDULE "C"		
SECURED LOAN		
Vehical Loan From ICICI	0.00	302462.00
	0.00	585943.00
SCHEDULE "E"		
INVESTMENTS		
SHARES :		
QUOTED (fully paid up equity shares)	1215504	3792316
- Warrant	1650000	412500
MUTUAL FUND	10500000	1500000
UNQUOTED	210196800	173096800
Share Application Money (Pending Allotment)	0	52200000
	223562304	231001616



SCHEDULE & NOTES TO ACCOUNTS

INDIACO VENTURES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE "F"	AS AT	AS AT
<u>CURRENT ASSETS, LOANS & ADVANCES</u>	31.03.2011	31.03.2010
	Rs.	Rs.
A : <u>CURRENT ASSETS</u>		
SUNDRY DEBTORS (UNSECURED & CONSIDERED GOOD)		
MORE THAN SIX MONTHS	70715	82145
OTHERS	3403153	4520526
TOTAL (A) (1128802.79)	3473868.14	4602670.93
B : <u>CASH & BANK</u>		
CASH IN HAND	17214.00	42620.00
BALANCE WITH BANK IN CURRENT A/C	350836.39	1103273.40
BALANCE WITH BANK IN DEPOSIT A/C	0.00	5119178.00
TOTAL (B)	368050.39	6265071.40
C : <u>LOANS AND ADVANCES</u>		
(UNSECURED, CONSIDRED GOOD)		
ADVANCES	4658210	2428571.44
ADVANCES RECOVERABLE IN CASH OR IN	3145017.44	586331.00
ADVANCE WITH STATUTORY AUTHORITIES	3748145.71	3765102.71
DEPOSITS	14665.00	6665.00
TOTAL (C) 4779368.00	11566038.15	6786670.15
GRAND TOTAL (A + B + C) 3650565.21	15407956.68	17654412.48
 SCHEDULE "G"		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
A: <u>CURRENT LIABILITIES</u>		
OUTSTANDING LIABILITY	(1315842)	412635.00
		1728477.00
		412635.00
B: <u>PROVISIONS</u>		
FOR TAXATION	(1597495)	0.00
		1597495.00
GRAND TOTAL (A + B) (2913337)	412635.00	3325972.00



SCHEDULE & NOTES TO ACCOUNTS

INDIACO VENTURES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE " H "		
<u>ADMINISTRATIVE AND OTHER EXPENSES</u>		
ADVERTISEMENT& PUBLICITY	973804.00	1129092.00
AUDITORS' REMUNERATION	130000.00	75120.00
FINANCIAL CHARGES & EXPS	12916.58	58701.83
COMMUNICATION EXPS	560539.00	478271.00
CONVEYANCE & TRAVELLING EXPS	903261.90	895951.39
DIRECTOR'S REMUNERATION	26000.00	22000.00
BAD DEBTS	0.00	5714.50
ANNUAL FEES AND SUBSCRIPTION	10000.00	55000.00
INSURANCE	25391.00	21875.00
LEGAL & PROFESSIONAL FEES	871350.00	465780.00
GENERAL EXPENSES	96705.35	64184.00
PRINTING & STATIONERY	258102.00	207577.00
RENT & TAXES	249837.00	644997.00
REPAIRS AND MAINTANENCE - Others	391357.00	242266.72
SALARIES AND ALLOWANCES	10019092.00	8561221.00
LEGAL FEES & EXPENSES	119270.00	267337.00
STAFF WELFARE EXPENSES	179471.00	92992.00
ESOP EXPENSE	231859.00	611367.00
POSTAGE & COURIER	87044.00	51339.00
POWER & FUEL	300786.00	279290.00
LOSS ON SALE OF ASSET	398558.00	0.00
	<u>15845343.83</u>	<u>14230076.44</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED ON 31ST MARCH, 2011**

SCHEDULE 'D'

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1.4.2010	ADDITION DURING THE YEAR	DEDUCT- IONS / TRANSFER	TOTAL AS ON 31.3.2011	UPTO 1.4.2010	PROVIDED DURING THE YEAR	DEDUCT- IONS / TRANSFER	TOTAL AS ON 31.3.2011	AS AT 31.3.2011	AS AT 31.3.2010
Office Premises	38191183	0	0	38191183	4874945	1665812.00	0	6540757	31650426	33316238
FURNITURE & FIXTURES	5749713	372925.00	0	6122638	1758020	747462.00	0	2505482	3617156	3991693
ELEC. FITTING & EQUIP.	123743	0.00	0	123743	73493	9095.00	0	82588	41155	50250
OFFICE EQUIPMENTS	1562966	37650.00	0	1600616	548604	159686.00	0	708290	892326	1014362
COMPUTER	1770714	641608.00	0	2412322	1211937	328858.00	0	1540795	871527	558777
MOTOR VEHICLES	2138014	0.00	1262510	875504	784429	260682.00	658865	386246	489258	1353585
AIR CONDITIONER	157895	0.00	0	157895	90456	12206.00	0	102662	55233	67439
TELEVISION	9490	0	0	9490	6049	623.00	0	6672	2818	3441
Software	4595875	1548545.00	0	6144420	2313268	1143393.00	0	3456661	2687759	2282607
Current Year	54299593	2600728	1262510	55637811	11661201	4327817.00	658865	15330153	40307658	42638392
Previous Year	52812511	1487082	0	54299593	6867003	4794198	0	11661201	42638392	45945508

SCHEDULE & NOTES TO ACCOUNTS

SCHEDULE 'I'

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS FOR PREPARATION OF FINANCIAL STATEMENT

The Financial Statements are prepared on historical cost convention and the mercantile system of accounting. The accounts are prepared on going concern basis and are consistent with generally accepted accounting principles.

2. CASH FLOW STATEMENT

The cash flow statement is prepared under the suggestive 'Indirect Method' of Accounting Standard-3 'Cash Flow Statements' issued by the Institute of Chartered Accountants of India and the same is annexed herewith.

3. DEPRECIATION

Fixed Assets are stated at cost of acquisition including any attributable expenditure to bring asset to the working condition, less accumulated depreciation. Assets under installation or construction as at the Balance Sheet date are shown as capital work in progress.

Depreciation has been charged on the Fixed Assets under the written down value method, at the rates prescribed under Schedule XIV of the Companies Act, 1956.

4. REVENUE RECOGNITION

Income from professional fees is recognised on completion of services. Interest on deposits is recognised on accrual basis. Dividend income from investments is recognised on cash basis.

5. INVESTMENTS

Long term Investments are valued at the cost of acquisition. Current Investments are valued at cost or market price whichever ever is less. Profit and loss on the current investments is calculated on First in First out (FIFO) basis.

Investment is treated as current/ temporary; i.e., intention at the time of investing is to dispose the relevant investment in the 'near future' or the subsidiary operates under severe long-term restrictions impairing transfer of funds to the parent.

6. TAXATION

Tax expenses are recognised as per the provisions of Income tax Act, 1961 at the prescribed tax rates of the relevant assessment year. Tax expenses include current tax and deferred tax.

The deferred tax assets/ liabilities for the year, arising on account of timing differences, are recognised in the profit & Loss Account and the accumulated effect thereof is shown in the Balance Sheet as per the provisions of AS-22 'Accounting For Taxes on Income' issued by the Institute of Chartered Accountants of India.

SCHEDULE & NOTES TO ACCOUNTS

7. FOREIGN CURRENCY

Transactions in Foreign Currencies are recorded at the exchange rate prevailing at the time of booking the contract/ transaction. Any gain or loss arising on receipt/payment due to foreign exchange rate fluctuation is recognized in the Profit and Loss Account.

8. EMPLOYEE STOCK OPTION SCHEME

The compensation cost relating to employee stock option scheme is determined by intrinsic value method. The compensation cost is amortised over the vesting period of the option on straight line basis.

9. PROVISIONS

Provisions for expenses and liabilities are made on the basis of reliable estimate of the financial obligation occurring as a result of past event wherein the probable outflows of resources exist.

B. NOTES TO ACCOUNT

1. SEGMENT REPORTING

During the Financial Year 2010-11, the Company has income under only one reportable segment i.e., Advisory and consultancy services. However company had substantial income from its investments.

2. RELATED PARTY DISCLOSURE

Related party disclosures as per the Accounting Standard-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are given as follows:

During the year Company incurred Expenses on behalf of its Subsidiaries and the same are recoverable in nature.

3. EARNING PER SHARE

The earning per share has been computed on the basis of profits attributable to the Equity Share Holders with respect to weighted number of equity shares according to the provisions of the Accounting Standard-20 'Earning Per Share' issued by the Institute of Chartered Accountants of India. The detailed working is given herein below.

Amount (Rs.)

Particulars	2010-11	2009-10
Net Profit(Loss) attributable to Equity share holders	(98,55,362)	267,34,477
Weighted Number of Equity Shares	1,85,36,785	1,71,21,637
Basic Earning Per Share	(0.53)	1.56*
Note * Post Bonus 1:1 & Split of Rs 10/- into Rs 2/-		

SCHEDULE & NOTES TO ACCOUNTS

4. INCOME TAX & DEFERRED TAX PROVISION

In compliance with the Accounting Standard-22 'Accounting For Taxes on Income' issued by the Institute of Chartered Accountants of India, the company has accounted net debit of Rs. 2,22,000 on account of deferred tax liabilities. The major components of the deferred tax asset and liabilities arising on account of timing differences are:

Amount (Rs.)

Particulars	2010-11	2009-10
Reversal of deferred tax liabilities pertaining to earlier years		-
Deferred tax liability arising on account of timing difference of depreciation during the year	(3,05,000)	(2,22,000)
Deferred tax Asset arising on account of timing difference of Loss during the year	46,49,000	-
Net Deferred Tax (Liability)/ Asset	43,44,000	(2,22,000)

5. IMPAIRMENT OF ASSETS

There is no impairment of fixed assets during the financial 2010-11, as such the provision for impairment of assets as per Accounting Standard (AS-28) 'Impairment of Assets' issued by the Institute of Chartered Accountants of India is not made in the books of account.

6. Employee Stock option plan (ESOP)

During the financial year 2010-11 the company has granted 1,950 (Previous Year 2,38,100) employee stock options under 'Employee Stock Option Scheme' vide resolution passed by the compensation committee in its meeting held on 12th August, 2010. The compensation cost relating to employee stock option scheme is determined by intrinsic value method and amortised over the vesting period of four years in accordance with the SEBI (Employee stock option scheme and employee stock purchase scheme) Guidelines, 1999. The details of options granted are as follows:

ESOP Scheme details	Scheme	Vesting Period	Option Vesting each year				No. of Options At the Opening	No. of Options exercised during the year	No. of Options Cancelled / lapsed during the year	No. of Options outstanding at the end of the year
			I	II	III	IV				
			%	%	%	%				
			25	25	25	25	'000	'000	'000	'000
	Grant- I A	29.10.2007 To 29.10.2011	25	25	25	25	5.00	-	5.00	0.00
	Grant- I B	29.10.2007 To 29.10.2011	25	25	25	25	48.375	-	28.875	19.50
	Grant- II	28.11.2007 To 28.11.2011	25	25	25	25	0.50	-	0.50	0.00
	Grant- III	17.10.2008 To 17.10.2012	25	25	25	25	50.50	-	35.50	15.00
	Grant- IV A	09.07.2009 To 09.07.2013	50	20	20	10	177.00	1.95	118.00	58.45
	Grant- IV B	09.07.2009 To 09.07.2013	50	20	20	10	20.00	-	20.00	00.00
	Total						301.375	1.95	207.875	91.550

SCHEDULE & NOTES TO ACCOUNTS

7. Foreign Currency Out Flows and Inflows

Particulars of foreign currency Inflows and out flows:

I. Inflows:

Particulars	2010-11		2009-10	
	Foreign Exchange	Amounts (Rs.)	Foreign Exchange	Amounts (Rs.)
Export of Service	-	-	8824 USD	4,36,523
Reimbursement of Exps	9393 USD	4,38,653	-	-
Total		4,38,653		4,36,523

II. Outflow:

Particulars	2010-11		2009-10	
	Foreign Exchange	Amounts (Rs.)	Foreign Exchange	Amounts (Rs.)
Foreign Travel	630 GBP	43,520	300 GBP	24,400
Expenditure	1000 Euro	57,725	600 USD	27,865
Total		101,245		52,265

8. Break-up of Auditor Remuneration:

Particulars	2010-11	2009-10
Statutory Audit	75,000	50,000
Certification	55,000	20,000

9. Requirements of para 3 & 4 regarding of part II of schedule VI to the companies Act, 1956 are not applicable to the company.

10. Previous Year's figures have been regrouped and rearranged wherever considered necessary.

As per our report of even date

For S.J. Agrawal & Associates, For and on Behalf of Board of Directors
Chartered Accountants

Sd/-
S J Agrawal
Partner
Membership No: 030273

Sd/-
Rahul Patwardhan
Managing Director

Sd/-
Dhiren Shah
Director

Sd/-
Aniket Deshpande
Company Secretary

Place: Pune
Date: August 12, 2011



CASH FLOW STATEMENT

INDIACO VENTURES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Amount in Rupees	
	10-11	09-10
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) After tax	-8374692.80	26734476.81
Adjustments for :		
ESOP W/off	231859.00	611367.00
Depreciation	4327817.00	4794198.00
Deffered Tax	-4344000.00	222000.00
Dividend Income	-108055.47	-134667.07
Interest Income	-549067.00	-242577.00
Prior Period Item	-1480669.00	-504174.00
(Profit)/Loss on sale of Fixed Assets (Net)	398558.00	0.00
Operating Profit/(Loss) before working capital changes	-9898250.27	31480623.74
Adjustments for :		
(increase)/Decrease in Trade & Other receivables	-3650565.21	6760028.70
increase/(Decrease) in sundry creditors & Other	-2913337.00	-10590818.28
	Total	-6563902.21
NET CASH FLOW FROM OPERATING ACTIVITIES	-16462152.48	27649834.16
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of fixed assets	-2395641.00	-1487082.00
(Purchase)/Sale of Investments	7439312.00	-96177563.00
Dividend Income	108055.47	134667.07
Interest Income	549067.00	242577.00
NET CASH FLOW FROM INVESTING ACTIVITIES	5700793.47	-97287400.93
C. CASH FLOW FROM FINANCING ACTIVITIES	4864338.00	71672894.00
NET CASH FLOW	-5897021.01	2035327.23
CASH OR CASH EQUIVALENTS AS BEGINNING	6265071.40	4229744.17
CASH OR CASH EQUIVALENTS AT THE END	368050.39	6265071.40
NET	-5897021.01	2035327.23
	-	(0)

Sd/- Rahul Patwardhan	Sd/- Dhiren Shah	Sd/- Aniket Deshpande
DIRECTOR	DIRECTOR	COMPANY SECRETARY

**Pune, Dated : 12th August
2011**

We have verified the above Cash Flow Statement of M/s Indiaco Ventures Limited from the Audited Annual Accounts for the Year ended 31st March, 2010 and found the same to be drawn in accordance therewith.

For S.J. AGRAWAL & ASSOCIATES,
Chartered Accountants

Sd/-
(S.J. AGRAWAL)
Partner

Mem. Mo. 030273

**Pune, Dated : 12th August
2011**



BALANCE SHEET ABSTRACT

I. REGISTRATION DETAILS

a) Registration No L51909PN1983PLC129492

b) Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

II. CAPITAL RAISED DURING THE YEAR

(AMT. IN RS. THOUSAND)

a) Public Issue

	N	I	L
--	---	---	---

 b) Right Issue

	N	I	L
--	---	---	---

c) Bonus Issue

	N	I	L
--	---	---	---

 d) Other

2	8	0	3
---	---	---	---

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT. IN RS. THOUSAND)

a) Total Liabilities

2	8	3	6	2	9
---	---	---	---	---	---

Total Assets

2	8	3	6	2	9
---	---	---	---	---	---

b) Sources of funds :

Paid up Capital

3	7	0	7	3
---	---	---	---	---

 Reserves & Surplus

2	4	5	3	8	8
---	---	---	---	---	---

Secured Loans

	N	I	L
--	---	---	---

 Applicant Money

	N	I	L
--	---	---	---

Deferred Tax Liability

	1	1	6	7
--	---	---	---	---

c) Application of funds :

Net fixed assets

4	0	3	0	7
---	---	---	---	---

 Investments

2	2	3	5	6	2
---	---	---	---	---	---

Net Current Assets

1	4	9	9	5
---	---	---	---	---

 Misc. Expenditure

		1	1	5
--	--	---	---	---

Deferred Tax Assets

	4	6	4	9
--	---	---	---	---

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS).

Total Income

	5	9	7	4
--	---	---	---	---

 Total Expenditure

2	0	1	7	3
---	---	---	---	---

Loss Before Tax

	1	4	1	9	9
--	---	---	---	---	---

 Loss After Tax

	9	8	5	5
--	---	---	---	---

Earning per share

Rs	(0.53)
----	--------

 Dividend per share

	Nil
--	-----

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Tele Communication

For and on Behalf of Board

Sd/-
Rahul Patwardhan
Director

Sd/-
Dhiren Shah
Director

Sd/-
Aniket Deshpande
Company Secretary

Pune, August 12th, 2011



AUDITORS' REPORT

INDIACO VENTURES LIMITED

STATEMENT PURSUANT TO SECTION 212 (3) AND (5) OF THE COMPANIES ACT, 1956
NAME OF THE SUBSIDIARY : INDIACO TELECOM PRIVATE LIMITED

1. FINANCIAL YEAR OF THE SUBSIDIARY ENDED ON : 31.3.2011

2. NO. OF SHARES HELD BY INDIACO VENTURE LIMITED :

EQUITY HOLDINGS 220500 SHARES OF Rs.10/-
EACH FULLY PAID

HOLDING COMPANY'S INTEREST 100.00%

3. NET AGGREGATE OF SUBSIDIARY'S PROFIT / LOSS SO FAR AS IT CONCERNS THE MEMBERS OF INDIACO VENTURES LTD. Amount Rs.

A. NOT DEALT WITH IN THE ACCOUNT OF INDIACO VENTURES LTD.
FOR THE YEAR ENDED 31ST MARCH, 2011

I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED AS IN 1 ABOVE (3,294,026)

II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE

IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY (361,583)

B. DEALT WITH IN THE ACCOUNT OF INDIACO VENTURES LTD.
FOR THE YEAR ENDED 31ST MARCH, 2011

I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED AS IN 1 ABOVE NIL

II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE

IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY NIL

4. MATERIAL CHANGES IN THE INTEREST OF INDIACO VENTURES LTD
BETWEEN THE END OF THE FINANCIAL YEAR OF THE
SUBSIDIARY COMPANY AND 31ST MARCH 2011

A. FIXED ASSETS	NONE
B. INVESTMENTS	NONE
C. MONEY LENT	NONE
D. MONEY BORROWED	NONE

For S.J. AGRAWAL & ASSOCIATES,
Chartered Accountants

Sd/-
Rahul Patwardhan Director

Sd/-
(S.J. AGRAWAL)
Partner (Mem. Mo. 030273)

Sd/-
Dhiren Shah Director

PLACE : MUMBAI

DATED : 12th August, 2011

Sd/-
Aniket Deshpande Company Secretary

PLACE : PUNE
DATED : 12th August, 2011



AUDITORS' REPORT

INDIACO VENTURES LIMITED

STATEMENT PURSUANT TO SECTION 212 (3) AND (5) OF THE COMPANIES ACT, 1956

NAME OF THE SUBSIDIARY : INDIACO HEALTHCARE PRIVATE LIMITED

1. FINANCIAL YEAR OF THE SUBSIDIARY ENDED ON : 31.3.2011

2. NO. OF SHARES HELD BY INDIACO VENTURE LIMITED :

EQUITY HOLDINGS	460000 SHARES OF Rs.10/- EACH FULLY PAID
-----------------	---

HOLDING COMPANY'S INTEREST	100.00%
3. NET AGGREGATE OF SUBSIDIARY'S PROFIT / LOSS SO FAR AS IT CONCERNS THE MEMBERS OF INDIACO VENTURES LTD.	Amount Rs.

A. NOT DEALT WITH IN THE ACCOUNT OF INDIACO VENTURES LTD. FOR THE YEAR ENDED 31ST MARCH, 2011

I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED AS IN 1 ABOVE	255,407
II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY	(17,660)

B. DEALT WITH IN THE ACCOUNT OF INDIACO VENTURES LTD. FOR THE YEAR ENDED 31ST MARCH, 2011

I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED AS IN 1 ABOVE	NIL
II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY	NIL

4. MATERIAL CHANGES IN THE INTEREST OF INDIACO VENTURES LTD BETWEEN THE END OF THE FINANCIAL YEAR OF THE SUBSIDIARY COMPANY AND 31ST MARCH 2011

A. FIXED ASSETS	NONE
B. INVESTMENTS	NONE
C. MONEY LENT	NONE
D. MONEY BORROWED	NONE

For S.J. AGRAWAL & ASSOCIATES, Chartered Accountants	Sd/- Rahul Patwardhan	Director
---	--------------------------	----------

Sd/- (S.J. AGRAWAL) Partner (Mem. Mo. 030273)	Sd/- Dhiren Shah	Director
--	---------------------	----------

PLACE : MUMBAI

DATED : 12th August, 2011

Sd/- Aniket Deshpande PLACE : PUNE DATED : 12th August, 2011	Company Secretary
---	-------------------



AUDITORS' REPORT

INDIACO VENTURES LIMITED

STATEMENT PURSUANT TO SECTION 212 (3) AND (5) OF THE COMPANIES ACT, 1956

NAME OF THE SUBSIDIARY : INDIACO ADVISORS PRIVATE LIMITED

1. FINANCIAL YEAR OF THE SUBSIDIARY ENDED ON : 31.3.2011

2. NO. OF SHARES HELD BY INDIACO VENTURE LIMITED :

EQUITY HOLDINGS 390000 shares of Rs.10/- each.

HOLDING COMPANY'S INTEREST 100%

3. NET AGGREGATE OF SUBSIDIARY'S PROFIT / LOSS SO FAR AS IT CONCERNS THE MEMBERS OF INDIACO VENTURES LTD. Amount Rs.

A. NOT DEALT WITH IN THE ACCOUNT OF INDIACO VENTURES LTD. FOR THE YEAR ENDED 31ST MARCH, 2011

I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED AS IN 1 ABOVE (3,138,154)

II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY (1,572,770)

B. DEALT WITH IN THE ACCOUNT OF INDIACO VENTURES LTD. FOR THE YEAR ENDED 31ST MARCH, 2011

I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED AS IN 1 ABOVE NIL

II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY NIL

4. MATERIAL CHANGES IN THE INTEREST OF INDIACO VENTURES LTD BETWEEN THE END OF THE FINANCIAL YEAR OF THE SUBSIDIARY COMPANY AND 31ST MARCH 2011

A. FIXED ASSETS	NONE
B. INVESTMENTS	NONE
C. MONEY LENT	NONE
D. MONEY BORROWED	NONE

For S.J. AGRAWAL & ASSOCIATES,

Chartered Accountants

Sd/-

(S.J. AGRAWAL)

Partner (Mem. Mo. 030273)

PLACE : MUMBAI

DATED : 12th August, 2011

Sd/-

Rahul Patwardhan

Director

Sd/-

Dhiren Shah

Director

Sd/-

Aniket Deshpande

Company Secretary

PLACE : PUNE

DATED : 12th August, 2011

AUDITORS' REPORT

INDIACO VENTURES LIMITED

STATEMENT PURSUANT TO SECTION 212 (3) AND (5) OF THE COMPANIES ACT, 1956

NAME OF THE SUBSIDIARY : INDIACO CAPITAL PRIVATE LIMITED

- | | |
|---|-----------------------------------|
| 1. FINANCIAL YEAR OF THE SUBSIDIARY ENDEND ON : | 31.3.2011 |
| 2. NO. OF SHARES HELD BY INDIACO VENTURE LIMITED : | 1005000 Shares of Rs.10/-
each |
| EQUITMOLDINGS | |
| HOLDING COMPANY'S
INTEREST | 100% |
| 3. NET AGGREGATE OF SUBSIDIARY'S PROFIT / LOSS SO FAR AS
IT CONCERNS THE MEMBERS OF INDIACO VENTURES LTD. | Amount Rs. |
| A. NOT DEALT WITH IN THE ACCO UNT OF INDIACO VENTURES LTD.
FOR THE YEAR ENDED 31ST MARCH, 2011 | |
| I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED
AS IN 1 ABOVE | - |
| II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE
IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY | 729,868 |
| B. DEALT WITH IN THE ACCOUNT OF INDIACO VENTURES LTD.
FOR THE YEAR ENDED 31ST MARCH, 2011 | |
| I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED
AS IN 1 ABOVE | 129,329 |
| II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE
IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY | NIL |
| 4. MATERIAL CHANGES IN THE INTEREST OF INDIACO VENTURES LTD
BETWEEN THE END OF THE FINANCIAL YEAR OF THE
SUBSIDIARY COMPANY AND 31ST MARCH 2011 | |
| A. FIXED ASSETS | NONE |
| BNVESTMENTS | NONE |
| C. MONEY LENT | NONE |
| D. MONEY BORROWED | NONE |

For S.J. AGRAWAL & ASSOCIATES,
Chartered Accountants

Sd/-
Rahul Patwardhan

Director

Sd/-
(S.J. AGRAWAL)
Partner (Mem. Mo. 030273)

Sd/-
Dhiren Shah

Director

PLACE : MUMBAI

Sd/-

Company
Secretary

DATED : 12th August, 2011

Aniket Deshpande
PLACE : PUNE
DATED : 12th August, 2011

AUDITORS' REPORT



PRADEEP GUPTA
Chartered Accountants

AUDITORS' REPORT

To the Members of M/s **INDIACO TELECOM PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of M/s INDIACO TELECOM PRIVATE LIMITED, as at 31st March 2011, the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the 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 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
 - c. The balance sheet, profit and loss account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the balance sheet and profit & loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - 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, we report that none of the director is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the balance sheet, of the state of the affairs of the Company as at 31st March 2011;
 - ii) In the case of the Profit & Loss Account, of the Loss for the year ended on that date.

For PRADEEP GUPTA
CHARTERED ACCOUNTANTS

(PROPRIETOR)
Membership No. : 048979
Place : Pune
Date : 12th August, 2011

AUDITORS' REPORT



PRADEEP GUPTA
Chartered Accountants

Annexure to the Auditor's Report

Ref: INDIACO TELECOM PRIVATE LIMITED

Referred to in paragraph 3 of our report of even date

- i) 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. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- ii) According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (v)(a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable.
- iii) The Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records and the same is commensurate with its size and nature of its business.
- iv)
 - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2011 for the period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- v) The Company has accumulated losses at the end of the financial period; which are not more than fifty per cent of its net worth. The Company has incurred cash losses of Rs. 47.00 (Previous Year Rs. 1.14 lacs) during the financial period covered by our audit.
- vi) In our opinion and according to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments. However, it holds investments in shares of other Bodies Corporate. In our opinion, proper records have been maintained of the transactions and timely entries have been made therein; also the company, in its own name, has held the shares and other securities.
- vii) According to the information and explanations given to us, and an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long term funds have been used to finance short-term assets.
- viii) According to the information and explanations given to us, no fraud on or by company has been noticed or reported during the course of our audit.
- ix) As per the information and explanations given to us and taking into consideration, the nature of the business of the company, clause (i), (ii), (iii), (vi), (vii), (xi), (xii), (xv), (xvi), (xviii), (xix) & (xx) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

For PRADEEP GUPTA
CHARTERED ACCOUNTANTS

(PROPRIETOR)
Membership No. : 048979

Place : Pune
Date : 12th August, 2011

**AUDITORS' REPORT****INDIACO TELECOM PRIVATE LIMITED****Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020**

Balance Sheet as At 31st March 2011.

<u>SOURCES OF FUNDS</u>		31.03.2011 Amount Rs.	31.03.2010 Amount Rs.
<u>Share Capital</u>	"A"	2205000.00	2205000.00
<u>Reserves & Surplus</u>	"B"	54788500.00	54788500.00
	Total :	<u>56993500.00</u>	<u>56993500.00</u>
<u>APPLICATION OF FUNDS</u>			
Investment (at cost)	"C"	45601030.00	56185000.00
Current assets, loans and Advances:	"D"		
(a) Cash and Bank balances		886591.00	125956.00
(b) Loans & Advance		5202670.00	73911.00
		<u>6089261.00</u>	<u>199867.00</u>
<u>Current liabilities and provisions :</u>			
(a) Liabilities		25500.00	20000.00
		<u>25500.00</u>	<u>20000.00</u>
Net Current Assets		6063761.00	179867.00
Deferred Tax Asset		1572000.00	160000.00
Misc Expenditure :		101100.00	107050.00
(to the extent not w/off or adjusted)			
Balance in Profit & Loss A/c		3655609.00	361583.00
	Total :	<u>56993500.00</u>	<u>56993500.00</u>
Notes to Accounts	"E"		
As per our report of even date		-	-
PRADEEP GUPTA	For and on behalf of the Board		
Chartered Accountants			

Pradeep Gupta
Proprietor
Mem. No. 048979Rahual Patwardhan
DirectorSom Chatterjee
DirectorPlace : Pune
Date : 12th August 2011Place : Pune
Date : 12th August 2011



AUDITORS' REPORT

INDIACO TELECOM PRIVATE LIMITED

Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020

Profit & Loss for the Year Ended on 31st March 2011.

	Year Ended 31.03.2011 Amount Rs.	Year Ended 31.03.2010 Amount Rs.
<u>INCOME</u>		
- Other Income	326746.00	0.00
Total a->	<u>326746.00</u>	<u>0.00</u>
<u>EXPENDITURE</u>		
Auditor Remuneration		
- Audit	15000.00	10000.00
- Income Tax	10000.00	5000.00
- Misc	0.00	5000.00
Bank Charges	1526.00	4446.00
Loss on Sale of Investment	2829086.00	0.00
Business Promotion Exps.	423790.00	0.00
Director Fees	9900.00	0.00
Preliminary Exps W/off	5950.00	5950.00
Professional Fees	1629500.00	22600.00
ROC Filing Fees	17334.00	0.00
Legal Exps.	90686.00	66706.00
Total b->	<u>5032772.00</u>	<u>119702.00</u>
Profit (Loss) Before tax (a-b)	<u>-4706026.00</u>	<u>-119702.00</u>
Tax Effect of Timing Differences Originating During the Year	1412000.00	36000.00
Profit (Loss) After Tax	<u>-3294026.00</u>	<u>-83702.00</u>
Balance B/F	<u>-361583.00</u>	<u>-277881.00</u>
Surplus carried over to Balance Sheet	<u><u>-3655609.00</u></u>	<u><u>-361583.00</u></u>

Notes to Accounts

"E"

As per our report of even date

PRADEEP GUPTA
Chartered Accountants

For and on behalf of the Board

Pradeep Gupta
Proprietor
Mem. No. 048979

Rahual Patwardhan
Director

Som Chatterjee
Director

Place : Pune
Date : 12th August 2011

Place : Pune
Date : 12th August 2011

**AUDITORS' REPORT****INDIACO TELECOM PRIVATE LIMITED**

Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 'A' : SHARE CAPITAL		

Authorised		

600,000 Equity Shares of Rs. 10/- each.	6000000	6000000
	=====	=====
Issued, Subscribed & Paid-Up		

220500 Equity Shares of Rs. 10/- each fully paid up.	2205000	2205000
	=====	=====
SCHEDULE "B" RESERVES & SURPLUS		
Share Premium Account	54788500	54788500
SCHEDULE 'C' : INVESTMENTS		
(i) UnQuoted - Non Trade (at cost)		
Info Dynamic Telesystem Pvt.Ltd.	22639530	37723500
PYS Fortune Marketing & Retail Trading Pvt Ltd	4500000	0
Verity Technologies Pvt. Ltd.	18461500	18461500
	45601030	56185000
	=====	=====
SCHEDULE 'D' : CURRENT ASSETS & LIABILITIES		
Advance	5170000	0
Advance with Authorities	32670	5202670
	=====	=====
Cash In Hand	812500	90000
Balances with Bank in Current A/c	74091	886591
	=====	=====
	6089261	35956
	=====	=====
	125956	125956
	=====	=====
Current Liabilities :		
Sundry Liabilities	25500	20000
	=====	=====
	25500	20000
	=====	=====

AUDITORS' REPORT

SCHEDULE 'E'

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS FOR PREPARATION OF FINANCIAL STATEMENT

The Financial Statements are prepared on historical cost convention and the mercantile system of accounting. The accounts are prepared on going concern basis and are consistent with generally accepted accounting principles.

2. REVENUE RECOGNITION

Income from professional fees is recognised on completion of services. Interest on deposits is recognised on accrual basis. Dividend income from investments is recognised on cash basis.

3. INVESTMENTS

Investments are valued at the cost of acquisition. Profit and loss on the current investments is calculated on First in First out (FIFO) basis.

4. TAXATION

Tax expenses are recognised as per the provisions of Income tax Act, 1961 at the prescribed tax rates of the relevant assessment year. Tax expenses include current tax and deferred tax.

The deferred tax assets/liabilities for the year, arising on account of timing differences, are recognised in the profit & Loss Account and the accumulated effect thereof is shown in the Balance Sheet as per the provisions of AS-22 'Accounting For Taxes on Income' issued by the Institute of Chartered Accountants of India.

5. FOREIGN CURRENCY

Transactions in Foreign Currencies are recorded at the exchange rate prevailing at the time of booking the contract/ transaction. Any gain or loss arising on receipt/payment due to foreign exchange rate fluctuation is recognized in the Profit and Loss Account.

6. PROVISIONS

Provisions for expenses and liabilities are made on the basis of reliable estimate of the financial obligation occurring as a result of past event wherein the probable outflows of resources exist.

B. NOTES TO ACCOUNT

1. Break-up of Audit Fees:

Particulars	2010-11	2009-10
Statutory Audit	15,000	10,000
Taxation Matters	10,000	5,000
Others		5,000

2. Requirements of para 3 & 4 regarding of part II of schedule VI to the companies Act, 1956 are not applicable to the company.

As per our report of even date

For Pradeep Gupta
Chartered Accountants

For and on Behalf of Board of Directors

Pradeep Gupta
Proprietor
Membership No: 048979

Rahul Patwardhan
Director

Som Chatterjee
Director

Place: Pune
Date: 12th August, 2011



AUDITORS' REPORT

INDIACO TELECOM PRIVATE LIMITED. BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

a) Registration No U64201PN2008PTC131944
b) Balance Sheet Date

3	1	0	3	2	0	1	1
---	---	---	---	---	---	---	---

II. CAPITAL RAISED DURING THE YEAR (AMT. IN RS. THOUSAND)

a) Public Issue

--	--	--	--	--

 b) Right Issue

--	--	--	--	--

c) Bonus Issue

--	--	--	--	--

 d) Private Placement

--	--	--	--	--

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT. IN RS. THOUSAND)

a) Total Liabilities

5	6	9	9	4
---	---	---	---	---

Total Assets

5	6	9	9	4
---	---	---	---	---

b) Sources of funds :
Paid up Capital

	2	2	0	5
--	---	---	---	---

 Reserves & Surplus

5	4	7	8	9
---	---	---	---	---

Secured Loans

--	--	--	--	--

 Unsecured Loans

--	--	--	--	--

c) Application of funds :
Net fixed assets

--	--	--	--	--

 Investments

4	5	6	0	1
---	---	---	---	---

Net Current Assets

	6	0	6	4
--	---	---	---	---

 Misc. Expenditure

		1	0	1
--	--	---	---	---

Accumulated Losses

3	6	5	6	
---	---	---	---	--

 Deferred Tax

	1	5	7	2
--	---	---	---	---

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS).

Total Income

		327	
--	--	-----	--

 Total Expenditure

		5033	
--	--	------	--

Profit (Loss)Before Tax

		(4706)	
--	--	---------	--

 Profit After Tax & Adj.

		(3294)	
--	--	--------	--

Earning per share

Rs	NIL		
----	-----	--	--

 Dividend per share

		Nil	
--	--	-----	--

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Tele Communication

For and on Behalf of Board

Rahul Patwardhan Som Chatterjee
Director Director

Pune, 12th August, 2011



AUDITORS' REPORT



PRADEEP GUPTA
Chartered Accountants

AUDITORS' REPORT

To the Members of M/s **INDIACO HEALTH CARE PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of M/s INDIACO HEALTH CARE PRIVATE LIMITED, as at 31st March 2011, the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the 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 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
 - c. The balance sheet, profit and loss account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the balance sheet and profit & loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - 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, we report that none of the director is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the balance sheet, of the state of the 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.

For PRADEEP GUPTA
CHARTERED ACCOUNTANTS

(PROPRIETOR)
Membership No. : 048979
Place : Pune
Date : 12th August, 2011

AUDITORS' REPORT



PRADEEP GUPTA
Chartered Accountants

Annexure to the Auditor's Report

Ref: INDIACO HEALTH CARE PRIVATE LIMITED 2011

Referred to in paragraph 3 of our report of even date

- i) 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. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- ii) According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (v)(a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable.
- iii) The Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records and the same is commensurate with its size and nature of its business.
- iv)
 - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2011 for the period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- v) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year.
- vi) In our opinion and according to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments. However, it holds investments in shares of other Bodies Corporate. In our opinion, proper records have been maintained of the transactions and timely entries have been made therein; also the company, in its own name, has held the shares and other securities.
- vii) According to the information and explanations given to us, and an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long term funds have been used to finance short-term assets.
- viii) According to the information and explanations given to us, no fraud on or by company has been noticed or reported during the course of our audit.
- ix) As per the information and explanations given to us and taking into consideration, the nature of the business of the company, clause (i), (ii), (iii), (vi), (viii), (xi), (xii), (xiii), (xv), (xvi), (xviii), (xix) & (xx) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

For PRADEEP GUPTA
CHARTERED ACCOUNTANTS

(PROPRIETOR)
Membership No. : 048979

Place : Pune
Date : 12th August , 2011



AUDITORS' REPORT

INDIACO HEALTH CARE PRIVATE LIMITED

Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020

Balance Sheet as At 31st March 2011.

<u>SOURCES OF FUNDS</u>	31.03.2011 Amount Rs.	31.03.2010 Amount Rs.
<u>Share Capital</u> "A"	4600000.00	4600000.00
<u>Reserve & Surplus</u>		
Share Premium	13500000.00	13500000.00
Balance in Profit & Loss A/c	237747.00	0.00
Total :	<u>18337747.00</u>	<u>18100000.00</u>
<u>APPLICATION OF FUNDS</u>		
Investment (at cost) "B"	17712500.00	17712500.00
Current assets, loans and Advances: "C"		
(a) Cash and Bank balances	7750.00	154340.00
(b) Sundry Receivable	595000.00	100000.00
(c) Advance Receivable in cash or kind	66535.00	0.00
	669285.00	254340.00
<u>Current liabilities and provisions :</u>		
(a) Liabilities	168013.00	15000.00
	168013.00	15000.00
Net Current Assets	501272.00	239340.00
Misc Expenditure :	123975.00	130500.00
(to the extent not w/off or adjusted)		
Balance in Profit & Loss A/c	0.00	17660.00
Total :	<u>18337747.00</u>	<u>18100000.00</u>
Notes to Accounts "D"		
As per our report of even date	-	-
PRADEEP GUPTA Chartered Accountants	For and on behalf of the Board	

Pradeep Gupta
Proprietor
Mem. No. 048979

Rahual Patwardhan
Director

Som Chatterjee
Director

Place : Pune
Date : 12th August 2011

Place : Pune
Date : 12th August 2011

**AUDITORS' REPORT****INDIACO HEALTH CARE PRIVATE LIMITED****Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020**

Profit & Loss for the Year Ended on 31st March 2011.

	31.03.2011 Amount Rs.	31.03.2010 Amount Rs.
<u>INCOME</u>		
- Income from Operation	595000.00	0.00
Total a->	<u>595000.00</u>	<u>0.00</u>
<u>EXPENDITURE</u>		
Auditor Remuneration		
- Audit Fees	15000.00	15000.00
- Others	17500.00	0.00
Conveyance & Travelling	14555.00	0.00
Director's Remuneration	50000.00	0.00
Professional Fees	12250.00	0.00
Preliminary Exp W/off	6525.00	0.00
Legal Exps.	27050.00	2660.00
Salary to Staff	82500.00	0.00
Total b->	<u>225380.00</u>	<u>17660.00</u>
Profit (Loss) Before tax (a-b)	369620.00	(17660.00)
Less Provision For Tax	114213.00	0.00
Profit (Loss) After Tax	255407.00	(17660.00)
Balance B/F	(17660.00)	0.00
Profit (Loss) carried over to Balance Sheet	<u>237747.00</u>	<u>(17660.00)</u>

Notes to Accounts

"D"

As per our report of even date

PRADEEP GUPTA
Chartered Accountants

For and on behalf of the Board

Pradeep Gupta
Proprietor
Mem. No. 048979Rahual Patwardhan
DirectorSom Chatterjee
DirectorPlace : Pune
Date : 12th August 2011Pune
Date : 12th August 2011

AUDITORS' REPORT

INDIACO HEALTH CARE PRIVATE LIMITED

Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 'A' : SHARE CAPITAL		

Authorised		

500,000 Equity Shares of Rs. 10/- each.	5000000	5000000
	=====	=====
Issued, Subscribed & Paid-Up		

460000 Equity Shares of Rs. 10/- each fully paid up.	4600000	4600000
	-----	-----
SCHEDULE 'B' : INVESTMENTS		
(i) UnQuoted - Non Trade (at cost)		
<i>Laser Cosmetics Pvt Ltd-Eq Sh</i>	12000000	12000000
<i>Laser Cosmetics Pvt Ltd-Pref Sh</i>	5712500	5712500
	-----	-----
	17712500	17712500
SCHEDULE 'C' : CURRENT ASSETS & LIABILITIES		
Cash In Hand	2195	
Balances with Bank		
Current Account	5555	154340
	-----	-----
	7750	154340
Sundry Receivable	595000	100000
Advance Receivable in cash or kind	66535	
	-----	-----
	669285	254340
Current Liabilities :		
Other Liabilities	28800	0
Current Tax Payable	114213	0
Provision for Audit Fees	25000	15000
	-----	-----
	168013	15000



AUDITORS' REPORT

SCHEDULE 'E'

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS FOR PREPARATION OF FINANCIAL STATEMENT

The Financial Statements are prepared on historical cost convention and the mercantile system of accounting. The accounts are prepared on going concern basis and are consistent with generally accepted accounting principles.

2. REVENUE RECOGNITION

Income from professional fees is recognised on completion of services. Interest on deposits is recognised on accrual basis. Dividend income from investments is recognised on cash basis.

3. INVESTMENTS

Investments are valued at the cost of acquisition. Profit and loss on the current investments is calculated on First in First out (FIFO) basis.

4. TAXATION

Tax expenses are recognised as per the provisions of Income tax Act, 1961 at the prescribed tax rates of the relevant assessment year. Tax expenses include current tax and deferred tax.

The deferred tax assets/liabilities for the year, arising on account of timing differences, are recognised in the profit & Loss Account and the accumulated effect thereof is shown in the Balance Sheet as per the provisions of AS-22 'Accounting For Taxes on Income' issued by the Institute of Chartered Accountants of India.

5. FOREIGN CURRENCY

Transactions in Foreign Currencies are recorded at the exchange rate prevailing at the time of booking the contract/ transaction. Any gain or loss arising on receipt/payment due to foreign exchange rate fluctuation is recognized in the Profit and Loss Account.

6. PROVISIONS

Provisions for expenses and liabilities are made on the basis of reliable estimate of the financial obligation occurring as a result of past event wherein the probable outflows of resources exist.

B. NOTES TO ACCOUNT

1. Break-up of Auditor's Remuneration :

Particulars	2010-11	2009-10
Statutory Audit	15000	10,000
Others	17500	5,000

2. Requirements of para 3 & 4 regarding of part II of schedule VI to the companies Act, 1956 are not applicable to the company.

As per our report of even date

For Pradeep Gupta
Chartered Accountants

For and on Behalf of Board of Directors

Pradeep Gupta
Proprietor
Membership No: 048979

Rahul Patwardhan
Director

Som Chatterjee
Director

Place: Pune
Date: 12th August, 2011



AUDITORS' REPORT

INDIACO HEALTH CARE PRIVATE LIMITED. BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

a) Registration No U24240PN2009PTC134476
 b) Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

II. CAPITAL RAISED DURING THE YEAR (AMT. IN RS. THOUSAND)

a) Public Issue

--	--	--	--	--

 b) Right Issue

	N	I	L	
--	---	---	---	--

 c) Bonus Issue

--	--	--	--	--

 d) Private Placement

--	--	--	--	--

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT. IN RS. THOUSAND)

a) Total Liabilities

1	8	3	3	8
---	---	---	---	---

Total Assets

1	8	3	3	8
---	---	---	---	---

b) Sources of funds :

Paid up Capital

	4	6	0	0
--	---	---	---	---

 Reserves & Surplus

1	3	7	3	8
---	---	---	---	---

 Secured Loans

--	--	--	--	--

 Unsecured Loans

--	--	--	--	--

c) Application of funds :

Net fixed assets

--	--	--	--	--

 Investments

1	7	7	1	3
---	---	---	---	---

 Net Current Assets

		5	0	1
--	--	---	---	---

 Misc. Expenditure

		1	2	4
--	--	---	---	---

IV. PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS).

Total Income

		595.00
--	--	--------

 Total Expenditure

		225.38
--	--	--------

 Profit (Loss)Before Tax

		369.62
--	--	--------

 Profit After Tax & Adj.

		255.40
--	--	--------

 Earning per share

Rs	0.56
----	------

 Dividend per share

		Nil
--	--	-----

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Heath Care

For and on Behalf of Board

Rahul Patwardhan Som Chatterjee
 Director Director

12th August, 2011, Pune

AUDITORS' REPORT



PRADEEP GUPTA
Chartered Accountants

AUDITORS' REPORT

To the Members of M/s INDIACO ADVISORS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of M/s INDIACO ADVISORS PRIVATE LIMITED, as at 31st March 2011, the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the 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 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
 - c. The balance sheet, profit and loss account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the balance sheet and profit & loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - 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, we report that none of the director is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the balance sheet, of the state of the affairs of the Company as at 31st March 2011;
 - ii) In the case of the Profit & Loss Account, of the Loss for the year ended on that date.

For PRADEEP GUPTA
CHARTERED ACCOUNTANTS

(PROPRIETOR)
Membership No. : 048979
Place : Pune
Date : 12th August, 2011

AUDITORS' REPORT



PRADEEP GUPTA
Chartered Accountants

Annexure to the Auditor's Report

Ref: INDIACO ADVISORS PRIVATE LIMITED

Referred to in paragraph 3 of our report of even date

- i) In respect of Fixed Assets
 - a. The Company has maintained memorandum of records showing details of fixed assets with original cost and depreciation written off in respect of identifiable units of assets and where such information for identifiable units of assets is not available, records show the cost and depreciation written off in respect thereof as a group or class.
 - b. All the assets have been physically verified by the management in accordance with the schedule of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. During the year, the company has not disposed any assets.
- ii)
 - a. The company has not taken loan from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company had granted advances to the firms covered in the register maintained under section 301 of the Companies Act.
 - b. In our opinion, the rate of interest and other terms and conditions of loans given or taken by the Company are not, *prima facie*, prejudicial to the interest of the company.
 - c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
 - d. There are no overdue amount of loans taken/granted by the Company
- iii) 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. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- iv) According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (v) (a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable.
- v) The Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records and the same is commensurate with its size and nature of its business.
- vi)
 - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.



AUDITORS' REPORT



PRADEEP GUPTA
Chartered Accountants

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2011 for the period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- vii) The Company has accumulated losses at the end of the financial period; which are more than fifty per cent of its net worth. The Company has incurred cash losses of Rs. 33.55 (Previous Year Rs.14.57 lacs) during the financial period covered by our audit.
- viii) In our opinion and according to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments. However, it has made application for subscription to equity shares of other corporate body. In our opinion, proper records have been maintained of the transactions and timely entries have been made therein; also the company, in its own name, has held the shares and other securities.
- ix) According to the information and explanations given to us, and an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long term funds have been used to finance short-term assets.
- x) According to the information and explanations given to us, no fraud on or by company has been noticed or reported during the course of our audit.
- xi) As per the information and explanations given to us and taking into consideration, the nature of the business of the company, clauses of paragraph 4 of the Companies (AuditorsReport) Order, 2003 are reported to the extent applicable to the Company.

For PRADEEP GUPTA
CHARTERED ACCOUNTANTS

(PROPRIETOR)
Membership No. : 048979

Place : Pune
Date : 12th August, 2011



AUDITORS' REPORT

Indiaco Advisors Pvt Ltd

Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020

Balance Sheet as At 31st March 2011.

<u>SOURCES OF FUNDS</u>		31.03.2011 Amount Rs.	31.03.2010 Amount Rs.
<u>Share Capital</u>	"A"	4000000.00	100000.00
<u>Share Application Money</u>		4000000.00	1200000.00
<u>Deferred Tax Liability</u>		11256.00	11256.00
Total :		<u><u>8011256.00</u></u>	<u><u>1311256.00</u></u>
 <u>APPLICATION OF FUNDS</u>			
Fixed Assets :	"B"		
(a) Gross block		2008220.00	2008220.00
(b) Less : depreciation		<u>1741274.97</u>	<u>1657805.97</u>
(c) Net Block		266945.03	350414.03
Current assets, loans and Advances:	"C"		
(a) Cash and Bank balances		4624706.20	288424.50
(b) Sundry Debtors		1775061.00	1775061.00
(c) Loan & Advances		<u>6847050.50</u>	<u>5493719.50</u>
		13246817.70	7557205.00
Current liabilities and provisions :			
(a) Liabilities		10165931.29	8149133.29
(b) Provisions		47500.00	20000.00
		<u>10213431.29</u>	<u>8169133.29</u>
Net Current Assets		3033386.41	-611928.29
Balance in Profit & Loss A/c		4710924.56	1572770.26
Total :		<u><u>8011256.00</u></u>	<u><u>1311256.00</u></u>
Notes to Accounts	"D"		
As per our report of even date		-	-
PRADEEP GUPTA Chartered Accountants		For and on behalf of the Board	

Pradeep Gupta
Proprietor
Mem. No. 048979

Rahual Patwardhan
Director

Monali Patwardhan
Director

Place : Pune
Date : 12th August, 2011

Place : Pune
Date : 12th August, 2011

**AUDITORS' REPORT****Indiaco Advisors Pvt Ltd****Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020**

Profit & Loss for the Year Ended on 31st March 2011.

	31.03.2011 Amount Rs.	31.03.2010 Amount Rs.
<u>INCOME</u>		
- Receipt - Others	400000.00	0.00
Total a->	<u>400000.00</u>	<u>0.00</u>
<u>EXPENDITURE</u>		
Auditor Remuneration	27500.00	20000.00
Bank Charges	110.30	0.00
Conveyance	16730.00	0.00
Depreciation	83469.00	117630.00
Office Expenses	2228.00	3322.00
Profession Tax	2500.00	17200.00
Professional Fees	1805521.00	1161537.00
Rent	825000.00	0.00
ROC Filing Fees	2350.00	1500.00
Salary	680101.00	0.00
Telephone Exps	36446.00	0.00
Travelling Exps	22896.00	253206.00
Web Hosting & Maintenance Charges	33303.00	0.00
Total b->	<u>3538154.30</u>	<u>1574395.00</u>
Profit (Loss) Before tax (a-b)	<u>(3138154.30)</u>	<u>(1574395.00)</u>
Add: Deferred Tax Liability	0.00	0.00
Profit (Loss) After Tax	<u>(3138154.30)</u>	<u>(1574395.00)</u>
Balance B/F	(1572770.26)	544426.80
Add: Prior Period Tax Adjustment	0.00	(542802.06)
Profit (Loss) carried over to Balance Sheet	<u>(4710924.56)</u>	<u>(1572770.26)</u>

Notes to Accounts

"D"

As per our report of even date

PRADEEP GUPTA
Chartered Accountants

For and on behalf of the Board

Pradeep Gupta
Proprietor
Mem. No. 048979Rahual Patwardhan
DirectorMonali Patwardhan
DirectorPlace : Pune
Date : 12th August, 2011Pune
Date : 12th August, 2011



AUDITORS' REPORT

Indiaco Advisors Pvt Ltd

Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 'A' : SHARE CAPITAL		
Authorised		
5,00,000 Equity Shares of Rs 10 Each	<u>5000000</u>	<u>5000000</u>
Issued, Subscribed & Paid-Up		
4,00,000(Previous Year 10,000) Equity Shares of Rs. 10/- each fully paid up.	4000000	100000

SCHEDULE 'B' : FIXED ASSETS

Particulars	Gross Block (at Cost)				Depreciation			Net Block	
	As at 1st April 2010	Add'n During the Year	Ded'n During the Year	As at 31st Mar 2011	Provided Up to 1-Apr-10	Provided during the Year	Provided Up to 31-Mar-11	As at 31st Mar 2011	As at 31st Mar 2010
Computers Systems	795804	0	0	795804	764831	12389	777220	18584	30973
Laptop	16429	0	0	16429	15152	511	15663	766	1277
Server	293377	0	0	293377	256675	14681	271356	22021	36702
EPABX	34000	0	0	34000	17555	2287	19842	14158	16445
Others	64899	0	0	64899	59073	810	59883	5016	5826
Scanner	1101	0	0	1101	581	72	653	448	520
Tel & Fax	192900	0	0	192900	79244	15810	95054	97847	113657
Furnitures & Fixtures	22210	0	0	22210	14065	1474	15539	6671	8145
Vehicles	587500	0	0	587500	450631	35435	486066	101434	136869
Total	2008220	0	0	2008220	1657806	83469	1741275	266945	350414
Previous Year	2008220	0	0	2008220	1540176	117630	1657806	350414	468044

**AUDITORS' REPORT****Indiaco Advisors Pvt Ltd****Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020****SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011****SCHEDULE 'C' : CURRENT ASSETS & LIABILITIES**

Sundry Debtors :

(i) Debts outstanding for a period exceeding six months	1775061.00		1775061.00	
(ii) Other Debts	<u>0.00</u>	1775061.00	<u>0.00</u>	1775061.00
Cash In Hand	197814.60		202383.60	
Balances with Bank				
Current Account	<u>4426891.60</u>	4624706.20	<u>86040.90</u>	288424.50
Sundry Advance	6193719.50		5493719.50	
Pre Paid Exps	350000.00		0.00	
Advance with Authorities	<u>303331.00</u>	6847050.50	<u>0.00</u>	5493719.50
		<u>13246817.70</u>		<u>7557205.00</u>

Current Liabilities :

Sundry Creditors		257043.48		257043.48
Advances Received		9846614.81		7619774.81
Other Liabilities		<u>62273.00</u>		<u>272315.00</u>
		10165931.29		8149133.29
Provisions		47500.00		20000.00
		<u>10213431.29</u>		<u>8169133.29</u>

AUDITORS' REPORT

INDIACO ADVISORS PRIVATE LIMITED

Annexure to Balance Sheet & Profit & Loss Account

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial statements :

The Financial Statements are prepared in accordance with the requirements of the Companies Act, 1956 including mandatory accounting standards issued by the Institutes of Chartered Accountants of India, as referred to in Section 211 (3C) of the Companies Act, 1956 under historical cost convention on an accrual basis.

2. Method of Accounting :

- a) The Financial statements have been prepared under historical cost convention and in accordance with the normally accepted accounting principles.
- b) The Company generally follows mercantile system of accounting and recognizes Income & expenditure on accrual basis except those with the significant uncertainties.

3. Fixed Assets :

- a) The Fixed Assets are stated at original cost of acquisition including freight, duty and taxes. The company advisorsizes all cost relating to the acquisition and installation of fixed assets.
- b) There is no revaluation of fixed assets during the year.

4. Depreciation:

- a) The depreciation is provided on Written Down Value method at the rates specified in schedule XIV of the companies act, 1956.



AUDITORS' REPORT

B. NOTES TO ACCOUNT

1. Break-up of Auditor's Remuneration :

Particulars	2010-11	2009-10
Statutory Audit	27,500	20,000

2. Foreign Currency Transactions

- Foreign currency transaction incurred during the year – Rs Nil
- Expenditure in foreign currency - Rs. Nil/-
- Earning in foreign currency - Rs. Nil

3. Previous years figures have been regrouped and rearranged wherever necessary.

4. Requirements of para 3 & 4 regarding of part II of schedule VI to the companies Act, 1956 are not applicable to the company.

As per our report of even date

For Pradeep Gupta
Chartered Accountants

For and on Behalf of Board of Directors

Pradeep Gupta
Proprietor
Membership No: 048979

Rahul Patwardhan
Director

Monali Patwardhan
Director

Place: Pune
Date: 12th August, 2011



AUDITORS' REPORT

INDIACO ADVISORS PRIVATE LIMITED. BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

a) Registration No U72900PN2000PTC015525
 b) Balance Sheet Date

3	1
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0	3
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2	0	1	1
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II. CAPITAL RAISED DURING THE YEAR (AMT. IN RS. THOUSAND)

a) Public Issue

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 b) Right Issue

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 c) Bonus Issue

--	--	--	--	--

 d) Private Placement

--	--	--	--	--

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT. IN RS. THOUSAND)

a) Total Liabilities

	8	0	1	1
--	---	---	---	---

Total Assets

	8	0	1	1
--	---	---	---	---

b) Sources of funds :

Paid up Capital	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td>4</td><td>0</td><td>0</td><td>0</td></tr></table>		4	0	0	0	Reserves & Surplus	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>					
	4	0	0	0									
Secured Loans	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>						Unsecured Loans	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>					
Share Application	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td>4</td><td>0</td><td>0</td><td>0</td></tr></table>		4	0	0	0	Deferred Tax Liability	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td> </td><td>1</td><td>1</td></tr></table>				1	1
	4	0	0	0									
			1	1									

c) Application of funds :

Net fixed assets	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td>2</td><td>6</td><td>7</td></tr></table>			2	6	7	Investments	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>					
		2	6	7									
Net Current Assets	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td>3</td><td>0</td><td>3</td><td>3</td></tr></table>		3	0	3	3	P&L Balance	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td>4</td><td>7</td><td>1</td><td>1</td></tr></table>		4	7	1	1
	3	0	3	3									
	4	7	1	1									

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS).

Total Income	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td>4</td><td>0</td><td>0</td></tr></table>			4	0	0	Total Expenditure	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td>3</td><td>5</td><td>3</td><td>8</td></tr></table>			3	5	3	8
		4	0	0										
		3	5	3	8									
Profit (Loss) Before Tax	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td>(3138)</td></tr></table>		(3138)	Profit After Tax & Adj.	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td>(3138)</td></tr></table>		(3138)							
	(3138)													
	(3138)													
Earning per share	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>Rs</td><td> </td></tr></table>	Rs		Dividend per share	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td>Nil</td></tr></table>		Nil							
Rs														
	Nil													

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Code Not Found

For and on Behalf of Board

Rahul Patwardhan
Director

Monali Patwardhan
Director

Pune, 12th August, 2011



AUDITORS' REPORT



PRADEEP GUPTA
Chartered Accountants

AUDITORS' REPORT

To the Members of M/s **INDIACO CAPITAL PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of M/s INDIACO CAPITAL PRIVATE LIMITED, as at 31st March 2011, the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the 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 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
 - c. The balance sheet, profit and loss account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the balance sheet and profit & loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - 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, we report that none of the director is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the balance sheet, of the state of the affairs of the Company as at 31st March 2011;
 - ii) In the case of the Profit & Loss Account, of the Loss for the year ended on that date.

For PRADEEP GUPTA
CHARTERED ACCOUNTANTS

(PROPRIETOR)
Membership No. : 048979
Place : Pune
Date : 12th August, 2011



AUDITORS' REPORT



PRADEEP GUPTA
Chartered Accountants

Annexure to the Auditor's Report

Ref: INDIACO CAPITAL PRIVATE LIMITED

Referred to in paragraph 3 of our report of even date

- i)
 - a. The company had taken non interest bearing loan from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The year end balance of loan taken from such parties was Rs. 41.18 Lacs (Previous Year 36.08) The Company had not granted loans to the firms covered in the register maintained under section 301 of the Companies Act.
 - b. In our opinion, the rate of interest and other terms and conditions of loans given or taken by the Company are not, *prima facie*, prejudicial to the interest of the company.
 - c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
 - d. There are no overdue amount of loans taken/granted by the Company
- ii) 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. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- iii) According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (v) (a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable.
- iv) The Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records and the same is commensurate with its size and nature of its business.
- v)
 - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2011 for the period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- vi) The Company has no accumulated losses at the end of the financial period; The Company has incurred cash losses during the financial period covered by our audit.
- vii) In our opinion and according to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments. However, it has made application for subscription to equity

AUDITORS' REPORT



PRADEEP GUPTA
Chartered Accountants

shares of other corporate body. In our opinion, proper records have been maintained of the transactions and timely entries have been made therein; also the company, in its own name, has held the shares and other securities.

- viii) According to the information and explanations given to us, and an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long term funds have been used to finance short-term assets.
- ix) According to the information and explanations given to us, no fraud on or by company has been noticed or reported during the course of our audit.
- x) As per the information and explanations given to us and taking into consideration, the nature of the business of the company, clause of paragraph 4 of the Companies (Auditors Report) Order, 2003 are reported to the extent applicable to the Company.

For PRADEEP GUPTA
CHARTERED ACCOUNTANTS

(PROPRIETOR)
Membership No. : 048979

Place : Pune
Date : 12th August , 2011



AUDITORS' REPORT

Indiaco Capital Pvt Ltd
Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020

Balance Sheet as At 31st March 2011.

<u>SOURCES OF FUNDS</u>	31.03.2011 Amount Rs.	31.03.2010 Amount Rs.
<u>Share Capital</u> "A"	10150000	100000
<u>Reserves & Surplus</u>	30150000	0
- Share Premium		
<u>Share Application Money</u>	0	33000000
<u>Unsecured Loan</u>		
- From Others	4217829	3607829
<u>Balance in P & L Account</u>	0	129329
Total :	44517829	36837159
<u>APPLICATION OF FUNDS</u>		
Investment (at cost) "B"	40155000	32700000
Current assets, loans and Advances: "C"		
(a) Stock of Shares	118822	118822
(b) Cash and Bank balances	950274	1349285
(c) Sundry Receivable	2669485	2669485
(d) Advance Receivable in cash or kind	52393	0
	3790974	4137592
<u>Current liabilities and provisions :</u>		
(a) Liabilities	48250	20000
	48250	20000
Net Current Assets	3742724	4117592
Deffered Tax Asset	19567	19567
<u>Balance in P & L Account</u>	600539	0
Total :	44517829	36837159
Notes to Accounts "D"		
As per our report of even date	-	-

PRADEEP GUPTA
Chartered Accountants

For and on behalf of the Board

Pradeep Gupta
Proprietor
Mem. No. 048979

Rahual Patwardhan
Director

Monali Patwardhan
Director

Place : Pune
Date : 12th August 2011

Place : Pune
Date : 12th August 2011

**AUDITORS' REPORT****Indiaco Capital Pvt Ltd****Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020**

Profit & Loss for the Year Ended on 31st March 2011.

	31.03.2011 Amount Rs.	31.03.2010 Amount Rs.
<u>INCOME</u>		
- Income Fees	475000	0
- Income Dividend	0	7000
Total a->	<u>475000</u>	<u>7000</u>
<u>EXPENDITURE</u>		
Auditor Remuneration		
- Audit Fees	25000	20000
Bank Charges	0	139
Interest Paid	555	4700
Loss on Sale of Asset	0	97256
Telephone Exps	11603	0
Profession Tax	2500	12500
Professional Fees	969750	20933
Salary	0	42042
Travelling & Conveyance	56210	0
ROC Filing Fees	139250	500
Total b->	<u>1204868</u>	<u>198071</u>
Profit (Loss) Before tax (a-b)	<u>-729868</u>	<u>-191071</u>
Add: Provision for Tax	0	0
Profit (Loss) After Tax	<u>-729868</u>	<u>-191071</u>
Add: Prior Period item	0	-2036872
Balance B/F	<u>129329</u>	<u>2357272</u>
Profit (Loss) carried over to Balance Sheet	<u>-600539</u>	<u>129329</u>

Notes to Accounts

"D"

As per our report of even date

PRADEEP GUPTA
Chartered Accountants

For and on behalf of the Board

Pradeep Gupta
Proprietor
Mem. No. 048979Rahual Patwardhan
DirectorMonali Patwardhan
DirectorPlace : Pune
Date : 12th August 2011Pune
Date : 12th August 2011



AUDITORS' REPORT

Indiaco Capital Pvt Ltd

Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 'A' : SHARE CAPITAL		

Authorised		

20,00,000 (Previous Year 5,00,000) Equity Shares of Rs 10 Each	20000000	5000000
Issued, Subscribed & Paid-Up	=====	=====

1015000 (Previous Year 10,000) Equity Shares of Rs. 10/- each fully paid up.	10150000	100000
	-----	-----
SCHEDULE 'B' : INVESTMENTS		
(i) Un Quoted - Non Trade (at cost)	<u>40155000</u>	<u>40155000</u> <u>32700000</u>
		32700000
SCHEDULE 'C' : CURRENT ASSETS & LIABILITIES		
Cash In Hand	948348	941098
Balances with Bank		
Current Account	1926	408187
	-----	-----
Closing Stock of Shares	950274	1349285
Sundry Receivable Considered Good	118822	118822
Advance with Authorities	2669485	2669485
	52393	0
	<u>3790974</u>	<u>4137592</u>
Current Liabilities :		
Other Liabilities	48250	20000
	<u>48250</u>	<u>20000</u>

AUDITORS' REPORT

INDIACO CAPITAL PRIVATE LIMITED

Annexure to Balance Sheet & Profit & Loss Account

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial statements :

The Financial Statements are prepared in accordance with the requirements of the Companies Act, 1956 including mandatory accounting standards issued by the Institutes of Chartered Accountants of India, as referred to in Section 211 (3C) of the Companies Act, 1956 under historical cost convention on an accrual basis.

2. Method of Accounting :

- a) The Financial statements have been prepared under historical cost convention and in accordance with the normally accepted accounting principles.
- b) The Company generally follows mercantile system of accounting and recognizes Income & expenditure on accrual basis except those with the significant uncertainties.

3. Investments :

Investments are valued at the cost of acquisition. Profit and loss on the current investments is calculated on First in First out (FIFO) basis. Application made for Subscription of Equity Shares is shown as Investment.

B. NOTES TO ACCOUNT

1. Break-up of Auditor's Remuneration :

Particulars	2010-11	2009-10
Statutory Audit	25000	20,000

2. Foreign Currency Transactions

- Foreign currency transaction incurred during the year – Rs Nil
- Expenditure in foreign currency - Rs. Nil/-
- Earning in foreign currency - Rs. Nil

3. Previous years figures have been regrouped and rearranged wherever necessary.

AUDITORS' REPORT

4. Requirements of para 3 & 4 regarding of part II of schedule VI to the companies Act, 1956 are not applicable to the company.

As per our report of even date

For Pradeep Gupta
Chartered Accountants

For and on Behalf of Board of Directors

Pradeep Gupta
Proprietor
Membership No: 048979

Rahul Patwardhan
Director

Monali Patwardhan
Director

Place: Pune
Date: 12th August, 2011

**AUDITORS' REPORT****INDICO CAPITAL PRIVATE LIMITED.
BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS**

a) Registration No U72200PN2001PTC016112

b) Balance Sheet Date

3	1	0	3	2	0	1	1
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II. CAPITAL RAISED DURING THE YEAR (AMT. IN RS. THOUSAND)a) Public Issue

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 b) Right Issue

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c) Bonus Issue

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 d) Private Placement

1	0	0	5	0
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III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT. IN RS. THOUSAND)a) Total Liabilities

4	4	5	1	8
---	---	---	---	---

Total Assets

4	4	5	1	8
---	---	---	---	---

b) Sources of funds :Paid up Capital

1	0	1	5	0
---	---	---	---	---

 Reserves & Surplus

3	0	1	5	0
---	---	---	---	---

Secured Loans

--	--	--	--	--

 Unsecured Loans

	4	2	1	8
--	---	---	---	---

c) Application of funds :Net fixed assets

--	--	--	--	--

 Investments

4	0	1	5	5
---	---	---	---	---

Net Current Assets

	3	7	4	3
--	---	---	---	---

 Deferred Tax Asset

			1	9
--	--	--	---	---

Bal P & L A/c

		6	0	1
--	--	---	---	---

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS).Total Income

		4	7	5
--	--	---	---	---

 Total Expenditure

		1	2	0	5
--	--	---	---	---	---

Profit (Loss)Before Tax

	(730)
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 Profit After Tax & Adj.

	(730)
--	-------

Earning per share Rs

--	--

 Dividend per share

	Nil
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V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Code Not Found

For and on Behalf of Board

Rahul Patwardhan
DirectorMonali Patwardhan
DirectorPune 12th August 2011