

**INDIA E-COMMERCE LIMITED**

**43RD ANNUAL REPORT**

**FINANCIAL YEAR: 2010-2011**

# 43ND ANNUAL REPORT 2010-2011

## INDIA E-COMMERCE LIMITED

---

### **Board of Directors**

Jayesh Katakia	- Director
Chandan Paswan	- Director
Arvind Jain	- Director

### **Bankers**

Canara Bank

### **Auditors**

K, R. Tiwari & Co.  
Chartered Accountants  
Mumbai

### **Registered Office**

4, Bahadur Manzil, 16/30, Store Lane,  
S.A. Brelvi Road, Fort, Mumbai-400001

### **ANNUAL GENERAL MEETING**

#### **Date:**

Friday, 30th day of September, 2011

#### **Time:**

11.00 A.M.

#### **Venue:**

4, Bahadur Manzil, 16/30, Store Lane,  
S.A. Brelvi Road, Fort, Mumbai-400001

## **INDIA E-COMMERCE LIMITED**

**Registered Office: 4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi Road, Fort, Mumbai-400001**

### **NOTICE**

**NOTICE** is hereby given that the 43rd Annual General Meeting of **INDIA E-COMMERCE LIMITED** will be held at the Registered Office of the Company at 4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi Road, Fort, Mumbai-400001 on Friday, 30th day of September, 2011 at 11.00 A.M. to transact the following business.

#### **ORDINARY BUSINESS:**

1. To receive, consider & adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 & Profit & Loss Account for the year ended on that date and the Reports' of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Arvind Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and approve re-appointment of M/s K.R. Tiwari & Co. Chartered Accountants as Statutory Auditors, who retires at the meeting and being eligible, offer themselves for re-appointment.

By Order of the Board  
For INDIA E-COMMERCE LIMITED

SD/-  
DIRECTOR

Date: 12th August, 2011  
Place: Mumbai

Registered Office:  
4, Bahadur Manzil, 16/30, Store Lane,  
S.A. Brelvi Road, Fort,  
Mumbai-400001

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. For convenience of Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and hand over the Attendance Slip at the place of Meeting. The Proxy of a Member should mark on the Attendance Slip as a Proxy.
3. The Register of Members and the Shares Transfer Books of the Company will be closed from Saturday, the 24th day of September, 2011 to Friday, the 30th day of September, 2011 (both days inclusive).
4. The members are requested to:
  - (a) Intimate to the Company changes, if any, in their Registered Address, Bank Account Number / details etc. at an early date;
  - (b) Quote ledger folio numbers in all their correspondences;
  - (c) Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
  - (d) Get the shares transferred in joint names, if they are held in single name to avoid in convenience;
  - (e) Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
  - (f) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.

# **INDIA E-COMMERCE LIMITED**

**Registered Office: 4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi  
Road, Fort, Mumbai-400001**

## **DIRECTORS REPORT**

**Dear Members,**

Your Directors present their 43rd Annual Report and Audited Statements of Accounts for the year ended on 31<sup>st</sup> March 2011.

### **FINANCIAL RESULTS:**

The Company had no business operations during the year under review and has incurred a loss of Rs. 0.12 Lakhs against the loss of Rs. 0.12 incurred during previous year.

### **DIVIDEND:**

Your Directors regret their inability to recommend any dividend until carry forward losses are hopefully wiped out.

### **DIRECTORS:**

Mr. Chandan Paswan, Director retires by rotation and being eligible offers himself for reappointment.

### **DEPOSITS:**

The Company has not accepted any Deposit from the Public during the year under review. As on 31<sup>st</sup> March, 2011 no unclaimed deposits are lying with the Company.

### **PARTICULARS OF EMPLOYEES:**

The Company does not have any employee of the category specified in Section 217 (2-A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### **AUDITORS:**

The Auditor of the company **M/s. K.R. TIWARI & CO.** holds office until the conclusion of the ensuing Annual General Meeting and are recommended for appoint. The Company has received certificate from the Auditors to the effect that their appointment, if made would be within the prescribed limits under section 224 (1-B) of The Companies Act, 1956.

## **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under section 217 (2AA) of the Companies Act 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2011, the applicable accounting standards have been followed and there has been no material departure;
- b) That the directors have selected such accounting policies were applied consistently and the Directors made judgements 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 financial year and of profit of the company for that year under review.
- c) That the directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) That the annual accounts have been prepared on a going concern basis.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

As there is nil expenditure on the points mentioned above, no particulars furnished in this report as required under Section 217(1)(e) of the Companies Act'1956 read with Companies (Disclosures of Particulars in the report of the Board of Directors) Rules'1988 regarding conservation of energy, technology, absorption and foreign exchange earnings and outgo.

By Order of the Board  
For INDIA E-COMMERCE LIMITED

SD/-  
DIRECTOR

Date: 12th August, 2011  
Place: Mumbai

Registered Office:  
4, Bahadur Manzil, 16/30, Store Lane,  
S.A. Brelvi Road, Fort,  
Mumbai-400001

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

### **1) Business Segment:**

Virtually there was no business segment during the year under review as the Company has not carried out any business activity during the year under review.

### **2) Business Overview:**

Your Company has not carried out any business activity during the year under review.

### **3) Internal Control Systems:**

Our company has adequate and proper system of internal controls commensurate with the size and business operations to ensure its assets from unauthorized transactions, unauthorized uses or dispositions. We have an Audit Committee of the Board of Directors .The Committee meet periodically and supervise the activities to plug the weakness in the System.

### **4) Human Resources:**

Human resource is a valuable asset and the Company endeavors to provide an environment that each employee is motivated to contribute his best to achieve the Company's goals.

### **5) Corporate Sustainability and Social Responsibility:**

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

### **6) Cautionary Statement:**

Statements made in the Management Discussion and analysis describing the Company's objectives, projections, estimates, predictions and expectations may be 'forward looking statements' within the meaning of applicable securities law and regulations. Actual results might differ materially from those either expressed or implied.

### **7) Compliance:**

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis. New Instructions/guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes.

## ANNEXURE TO THE DIRECTORS' REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance finds its roots in the rich legacy of ethical governance practices. The Company will continue to focus its energies and resources in creating and safeguarding of shareholders wealth and, at the same time, protect the interests of all its stakeholders.

### 2. BOARD OF DIRECTORS:

#### 2.1 Composition:

The Board of Directors as on 31<sup>st</sup> March, 2011 comprises of three Directors, of which 2 are Non-Executive Independent, who brings in a wide range of skills and experience to the Board. The Chairman is Non-Executive and the number of Independent Directors is two. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

Four Board Meetings were held during the year and the gap between two meetings did not exceed four months. The Board of Directors met 5 times on 26th April,2010, 30th July,2010, 21st August,2010, 29<sup>th</sup> October,2010 and 28<sup>th</sup> January,2011 during the financial year 2010-2011.

#### 2.2 Composition of Board and attendance record:

Name of Director	Category of Directorship	Attendance at		No. of other Directorships and other Committee Memberships / Chairmanship		
		Board Meetings	Last AGM	Other Directorships #	Committee Memberships ##	Committee Chairmanships
Mr. Chandan Paswan	Non-Executive, Independent	5	Yes	Nil	Nil	Nil
Mr. Arvind Jain	Non-Executive, Independent	5	Yes	Nil	Nil	Nil
Mr. Jayesh Katakia	Non-Executive, Promoter	5	Yes	Nil	Nil	Nil

# Alternate Directorships and directorships in private companies, foreign companies and Section 25 Companies are excluded.

## Represents Memberships / Chairmanships of Audit Committee and Shareholders' / Investors' Grievance Committee.

### 3. AUDIT COMMITTEE:

The Audit Committee consists of two Independent Directors & the Non Executive Chairman. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The members possess adequate knowledge of Accounts, Audit and Finance etc. Mr. Chandan Paswan is the Chairman of the Audit Committee.

The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") in filling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, stock exchanges and others, (b) the



Company's compliances with legal and regulatory requirements, (c) the Company's independent auditors' qualification and independence, (d) the audit of the Company's Financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

The members of Audit Committee met four times on 5 times on 26th April,2010, 30th July,2010, 21st August,2010, 29<sup>th</sup> October,2010 and 28<sup>th</sup> January,2011 during the financial year 2010-2011.

Name	Number of Meetings Held	Meetings Attended
Mr. Jayesh Katakia	5	5
Mr. Arvind Jain	5	5
Mr. Chandan Paswan*	5	5

\*Chairman of Committee

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

Since, the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement); the details pertaining to the same are not provided.

#### **Details of Remuneration paid to Directors**

No Fees has been paid to any Directors of the Company for attending Board & Committee Meetings during the year under review and no remuneration was paid to any of them.

#### **Details of Shares held:**

No Stock option has been allotted to any of the Directors during the financial year 2010-2011.

None of the Directors holds any shares in their name or in the name of their relatives, except Mr. Jayesh Katakia who holds 440550 Shares.

#### **5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:**

The Shareholders / Investors Grievance Committee comprises of following three directors.

- Mr. Jayesh Katakia
- Mr. Arvind Jain
- Mr. Chandan Paswan

The terms of reference of the committee are *interalia* as follows:

a	Review the reports submitted by the Registrars and Share Transfer Agents of the Company at half yearly intervals.
b	Investor relations and redressal of shareholders grievances including relating to non-receipt of dividend, Annual Report, non – receipt of shares etc.
c	Oversee the performance of the Registrars and Share Transfer Agents of the Company.

#### **COMPLIANCE OFFICER:**

The Company has appointed Mr. Chandan Paswan, Director as the Compliance Officer within the meaning of Listing Agreement.

## 6. GENERAL BODY MEETINGS:

The details of date, time and location of Annual General Meetings (AGM) held in previous three years are as under:

AGM / EGM	Date	Time	Venue
AGM	24.09.2010	11.00 am	4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi Road, Fort, Mumbai-400001
AGM	26.09.2009	11.00 am	4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi Road, Fort, Mumbai-400001
AGM	30.09.2008	11.00 am	4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi Road, Fort, Mumbai-400001

There are no Special Resolutions passed in the previous three Annual General Meetings.

## POSTAL BALLOT

No Resolution has been passed during last three financial years through Postal Ballot Rules.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal ballot.

No Court-convened Meetings were held during the last three years.

## 7. MEANS OF COMMUNICATION:

The quarterly/half yearly/annual financial results of the Company are announced within the stipulated period and are normally published in English and Marathi newspapers.

## 9. GENERAL SHAREHOLDERS INFORMATION:

### a Next Annual General Meeting:

The information regarding 43rd Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2011 is as follows :-

Day and Date : Friday, 30th September, 2011

Time : 11.00 A.M.

Venue : 4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi Street, Fort, Mumbai-400001

### b Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March

### c Future Calendar:

<b>Subject Matter</b>	<b>Date</b>
Financial Reporting of 1st Quarter ended on 30th June 2011	14th August,2011
Financial Reporting of 2nd Quarter ended on 30th September 2011	14th November,2011
Financial Reporting of 3rd Quarter ended on 31st December 2011	14 <sup>th</sup> February,2012
Financial Reporting of 4th Quarter ended on 31st March 2012	30 <sup>th</sup> May,2012
Date of Annual General Meeting	During September,2012

- d **Date of Book Closure** September 24 to September 30, 2011 (Both days inclusive)
- e **Dividend Payment Date** No Dividend has been recommended for the year under review
- f **Listing of shares** Bombay Stock Exchange
- g **Stock Code & ISIN** Scrip Code 531061  
ISIN INE416B01018
- h **Market Price Data** The shares of the Company are suspended and hence there was no trade during the period from April 2010 to March, 2011 and hence no data have been provided for that period.

**I Registrar & Share Transfer Agent.**

M/s. Intime Spectrum Registry Limited has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of physical. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-78  
Tel Nos. 25963838, Fax No. 25946969

**J Share Transfer System:**

The Share transfer is processed by the Registrar & Share Transfer Agent, Intime Spectrum Registry Limited and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

**k Distribution of Shareholding:**

The distribution of shareholding as on 31<sup>st</sup> March, 2011 is given below:

<b>Sr. No</b>	<b>Shares of Nominal Value of Rs.</b>	<b>No. of Shareholders</b>	<b>Share Amount</b>	<b>% of Total shares</b>
<b>1.</b>	1 -5,000	594	1480720	4.9186
<b>2.</b>	5,001 -10,000	127	1050450	3.4893
<b>3.</b>	10,001 -20,000	34	535600	1.7791
<b>4.</b>	20,001 -30,000	6	148000	0.4916
<b>5.</b>	30,001 -40,000	1	39000	0.1295
<b>6.</b>	40,001 -50,000	4	181500	0.6029

7.	50,001 -1,00,000	13	916690	3.0450
8.	1,00,001 & Above	19	25753040	85.5441
	<b>TOTAL</b>	<b>798</b>	<b>3,01,05,000</b>	<b>100.00</b>

l **Shareholding Pattern as on 31<sup>st</sup> March,2011:**

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	973500	32.34
Indian Bank	0	0
Others (NRI)	0	0
Private Corporate Bodies	123550	4.10
Indian Public	1615950	53.68
NRI	294200	9.77
HUF	3300	0.11
Total	3010500	100.00

m **Dematerialisation of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

n **Nomination:**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

o **Corporate Ethics:**

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and a Code of Conduct for Prevention of Insider Trading has been adopted pursuant to clause 49 (D) of the Listing Agreement & the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended), respectively:

**a. Code of Conduct for Board Members and Senior Management:**

The Board of Directors of the Company adopted the Code of Conduct for its members.

**b. Declaration affirming compliance of Code of Conduct:**

The Company has received confirmations from the Directors regarding compliance of the Code of Conduct during the year under review.

A declaration by Director affirming compliance of Board members and senior management personnel to the Code is also annexed herewith.

**c. Code of Conduct for Prevention of Insider Trading:**

The Company has adopted the Code of Conduct for Prevention of Insider Trading for its Management and Directors. The Code lays down guidelines and procedures to be followed and

disclosures to be made by directors, top level executives and staff whilst dealing in shares. The Managing Director has been appointed as the Compliance Officer and is responsible for adherence to the Code.

**d. Compliance Certificate by Chartered Accountant:**

The Company has obtained a certificate from the Chartered Accountant regarding compliance of conditions of corporate governance as stipulated in clause 49, which is annexed herewith.

v **Address for Correspondence:**

INDIA E-COMMERCE LIMITED  
4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi Road, Fort, Mumbai-400001  
Telephone : +91 22 22093005, Email : india1e1commerce@@gmail.com

By Order of the Board  
**For INDIA E-COMMERCE LIMITED**

Place: Mumbai  
Date: 12.08.2011

SD/-  
**CHANDAN PASWAN**  
Director

## **CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT**

As required by Clause 49 of Listing Agreement, the Director and CEO's Declaration for Code of Conduct is given below:

To  
The Members of  
**INDIA E-COMMERCE LIMITED**

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed;
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For India E-Commerce Limited**

Place: Mumbai  
Date: 12.08.2011

SD/-  
Chandan Paswan  
Director

# **K. R. TIWARI & CO.**

CHARTERED ACCOUNTANT  
B.COM, F. C. A.

5/ A, Hawa Hira Mahal,  
Daftary Road, Malad (East),  
Mumbai – 400 097.  
Tel. Off. : 2888 9874

## **CERTIFICATE ON CORPORATE GOVERNANCE**

I have examined the compliance of the conditions of Corporate Governance by INDIA E-COMMERCE LIMMITED for the year ended 31<sup>st</sup> March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange, Mumbai.

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

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

I state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

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

**FOR K. R. TIWARI & CO.**  
**CHARTERED ACCOUNTANTS**

**SD/-**  
**K.R. TIWARI**  
**( PROPRIETOR)**  
**MEMBERSHIP NO. 043003**

Place: Mumbai  
Date: 12-08-2011

# **K. R. TIWARI & CO.**

CHARTERED ACCOUNTANT  
B.COM,F. C. A.

5/ A, Hawa Hira Mahal,  
Daftary Road, Malad (East),  
Mumbai - 400 097.  
Tel. Off. : 2888 9874

## **AUDITOR'S REPORT**

To,  
The Members,  
**INDIA E-COMMERCE LIMITED.**

1. We have audited the attached Balance Sheet of; **INDIA E-COMMERCE LIMITED** as at 31st March 2011, and also the Profit & Loss Account and Cash Flow Statements for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies ( Auditor's Report ) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order we enclosed in the annexure a statement on the matters specified in the paragraphs 4 & 5 of the said order, to the extent applicable to the Company.

Further to our comments in the Annexure referred to in paragraph (3) above, we report that;

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of the books.
- c. The Balance Sheet and the 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 and Loss Account dealt with by this report, generally comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956, to the extent applicable.
- 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 directors 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.



# ***K. R. TIWARI & CO.***

CHARTERED ACCOUNTANT  
B.COM,F. C. A.

5/ A, Hawa Hira Mahal,  
Daftary Road, Malad (East),  
Mumbai - 400 097.  
Tel. Off. : 2888 9874

- f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account 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 policies generally accepted in India.
- i. in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2011 and,
- ii. in the case of the Profit and Loss Account of the Loss for the year ended on that date.
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For K. R. Tiwari & Co.**  
**CHARTERED ACCOUNTANTS**

SD/-  
**K.R. TIWARI**  
**Proprietor**  
**MEMBERSHIP NO. 043003**

Place: Mumbai  
Date: 12-08-2011

# ***K. R. TIWARI & CO.***

CHARTERED ACCOUNTANT  
B.COM,F. C. A.

5/ A, Hawa Hira Mahal,  
Daftary Road, Malad (East),  
Mumbai - 400 097.  
Tel. Off. : 2888 9874

As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and the information and explanation given to us during the course of our audit, we further state that: -

1. The Company does not have any fixed assets.
2. The Company has no inventory.
3. (a) The Company has not taken any secured or unsecured loans from Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from the companies under same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.  
  
(b) The Company has not given taken any secured or unsecured loans to Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from the companies under same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
4. There is an adequate internal control procedure commensurate with the size and nature of the business for the purchase and sale of shares. During the course of our audit, no major material weakness has been noticed in internal control system.
5. In respect of transaction covered under section 301 of the Companies Act, 1956:
  - a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the Register maintained under Section 301 of the Act have been so entered.
  - b) In our opinion and according to the information and explanation given to us, there are no transaction of sale of goods made in pursuance of contract or arrangement entered in the register maintained u/s 301 of the Companies Act, 1956 as exceeding the value of Rs. 5,00,000/- ( Rupees Five Lakh Only ).
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
7. In our opinion, the Company has a formal internal audit system commensurate with its size of the Company and nature of its business.
8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under (d) of sub-section (1) 209 of the Companies Act, 1956.
9. According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Income Tax with the appropriate authorities. According to the information and explanations given to us, there is no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, and cess were outstanding at the year end for a period of more than six months from the date they become payable. According to the records of the Company,

# ***K. R. TIWARI & CO.***

CHARTERED ACCOUNTANT  
B.COM,F. C. A.

5/ A, Hawa Hira Mahal,  
Daftary Road, Malad (East),  
Mumbai - 400 097.  
Tel. Off. : 2888 9874

- there are no dues outstanding of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, and cess on account of any dispute.
10. The Company has accumulated losses at the end of financial year, not less than fifty percent of its net worth and the Company has incurred cash losses in the financial year and in the financial year immediately preceding financial year also.
  11. The company has not taken any loan from Financial Institutions or Banks and there is no debenture.
  12. The Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion, the Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures or other investments. Therefore the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from bank or other financial institutions.
  16. The Company has not taken any term loan during the year.
  17. The Company has not raised funds on short-term basis during the year under review.
  18. The Company has not made any preferential allotment of shares during the year.
  19. The Company has not issued any debentures during the year.
  20. The Company has not made any public issue during the year and therefore the provisions of 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of audit.

**For K. R. Tiwari & Co.**  
**CHARTERED ACCOUNTANTS**

SD/-  
**K.R. TIWARI**  
**Proprietor**  
**MEMBERSHIP NO. 043003**

Place: Mumbai  
Date: 12-08-2011

**INDIA E - COMMERCE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2011**

			AS AT	AS AT
		SCH.	31-03-2011	31-03-2010
<b>I</b>	<b>SOURCES OF FUNDS:</b>			
1	<b>SHAREHOLDERS FUND</b>			
a	Capital	A	30,105,000	30,105,000
b	Reserves & Surplus	B	5,650,750	5,650,750
			<u>35,755,750</u>	<u>35,755,750</u>
<b>II</b>	<b>APPLICATION OF FUNDS:</b>			
1	<b>INVESTMENT</b>	C	9,990	9,990
2	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a	Sundry Debtors	D	3,332,057	3,332,057
b	Cash & Bank Balance	D	28,290	34,965
			<u>3,360,347</u>	<u>3,367,022</u>
3	Less: Current Liabilities & Provisions	E	50,000	45,000
	<b>NET CURRENT ASSETS</b>		<u>3,310,347</u>	<u>3,322,022</u>
4	<b>PROFIT &amp; LOSS ACCOUNT</b>		32,435,413	32,423,738
			<u>35,755,750</u>	<u>35,755,750</u>

**NOTES FORMING PART OF THE**

G

**For K R TIWARI & CO  
CHARTERED ACCOUNTANTS**

**FOR INDIA E-COMMERCE LIMITED**

SD/-

**K. R. TIWARI  
PROPRIETOR  
MEMBERSHIP NO. 43003**

SD/-

**DIRECTOR**

SD/-

**DIRECTOR**

PLACE:MUMBAI  
DATE: 12-08-2011

INDIA E - COMMERCE LIMITED

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

	YEAR ENDED	
SCH.	31-03-2011	31-03-2010
<b>INCOME</b>		
<b>Sales</b>		
E Commerce Services	-	-
	<u>-</u>	<u>-</u>
<b>EXPENDITURE</b>		
Administrative & Other Expenses	F	
	<u>11,675</u>	<u>11,625</u>
	<b>11,675</b>	<b>11,625</b>
Profit /[Loss] Before Taxation	(11,675)	(11,625)
Balance brought forward from Previous Year	(32,423,738)	(32,412,113)
Baln. Carried to Balance Sheet	<u>(32,435,413)</u>	<u>(32,423,738)</u>
Basic and diluted earning per Equity share of Rs. 10 (Refer note no. 9 of Schedule ' G '	(0.00)	(0.00)
<b>NOTES FORMING PART OF THE ACCOUNT</b>	G	

**For K R TIWARI & CO**  
**CHARTERED ACCOUNTANTS**  
SD/-  
**K.R. TIWARI**  
**PROPRIETOR**  
**MEMBERSHIP NO. 43003**

**FOR INDIA E-COMMERCE LTD**  
SD/- SD/-  
**DIRECTOR DIRECTOR**

PLACE:MUMBAI  
DATE: 12-08-2011

**INDIA E - COMMERCE LIMITED**

**CASH FLOW FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2011**

(Rs)

	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating Profit/[-] Loss Before Tax	-11,675	-11,625
Adjusting for:	-	-
Operating [-] Loss / Profit before working capital changes	-11,675	-11,625
Adjustments for		
Trade Debtors	-	-
Current Liabilities	5,000	5,000
	5,000	5,000
Cash Generated from Operations	-6,675	-6,625
Net Cash Flow from Operating Activities	-6,675	-6,625
<b>B. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Cash Flow from Financing Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	-6,675	-6,625
Opening Balance of Cash & Cash Equivalents	34,965	41,590
Closing Balance of Cash & Cash Equivalents	28,290	34,965

**FOR K.R. TIWARI & CO.**  
**CHARTERED ACCOUNTANTS**  
**SD/-**

**K.R. TIWARI**  
**PROPRIETOR**  
**MEMBERSHIP NO. 43003**

**FOR INDIA E-COMMERCE LIMITED**

**SD/-**  
**DIRECTOR**

**SD/-**  
**DIRECTOR**

PLACE: MUMBAI  
DATE: 12-08-2013

**INDIA E - COMMERCE LIMITED**

	<b>AS AT 31-03-2011</b>	<b>AS AT 31-03-2010</b>
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
6000000 Equity Share of Rs. 10/- each	60,000,000	60,000,000
<b>ISSUED &amp; SUBSCRIBED</b>		
3010500 Equity Shares of Rs.10/- each	30,105,000	30,105,000
	<b><u>30,105,000</u></b>	<b><u>30,105,000</u></b>
<b>SCHEDULE 'B'</b>		
<b>RESERVE &amp; SURPLUS:</b>		
Share Premium Account	5,650,750	5,650,750
	<b><u>5,650,750</u></b>	<b><u>5,650,750</u></b>
<b>SCHEDULE 'C'</b>		
<b>INVESTMENTS</b>		
333 Shares of Rs. 10/- each fully paid up of The Mercantile Co-op. Bank Ltd.)	9,990	9,990
	<b><u>9,990</u></b>	<b><u>9,990</u></b>
<b>SCHEDULE 'D'</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
a	<b>SUNDRY DEBTORS [ Unsecured ]</b>	
	Outstanding for a period exceeding six months:	
	Considered Good	
	3,332,057	3,332,057
	Others	-
	<b><u>3,332,057</u></b>	<b><u>3,332,057</u></b>
b	<b>CASH AND BANK BALANCES</b>	
	28,125	34,800
	Cash on hand	
	With Scheduled Bank	
	in Current Account	
	165	165
	<b><u>28,290</u></b>	<b><u>34,965</u></b>
<b>SCHEDULE 'E'</b>		
<b>CURRENT LIABILITIES</b>		
	50,000	45,000
	<b><u>50,000</u></b>	<b><u>45,000</u></b>

**INDIA E - COMMERCE LIMITED**

**YEAR ENDED**  
**31-03-2011      31-03-2010**

**SCHEDULE 'F'**

**ADMINISTRATIVE & OTHER EXPENSES**

Salary to Staff	6,000	6,000
<u>Remuneration to Auditors:</u>		
for Audit Fees	5,000	5,000
Conveyance	675	625
<b>TOTAL</b>	<b>11,675</b>	<b>11,625</b>



## INDIA E - COMMERCE LIMITED

### SCHEDULE - 'G'

#### NOTES FORMING PART OF ACCOUNTS

##### 1 Statement of significant Accounting Policies

###### a] Basis of Accounting:

The Company follows the Mercantile system of Accounting and recognises income and expenditure on accrual basis.

###### b] Fixed Assets:

Fixed Assets are stated at cost plus expenditure directly incurred in order to put the asset to use.

###### c] Depreciation:

Depreciation is provided on fixed assets as per written down value method as per rate provided in schedule XIV of the companies act, 1956.

###### d] Inventories:

Finished goods are valued at lower of cost or Market value and as certified by management.

###### e] Investments:

Investment are unquoted and are shown at cost.

###### f] Miscellaneous Expenditure: (to the extent not written off or adjusted)

Expenditure carried forward under this head is being amortised over the relevant period.

###### g] Expenses:

Material known liabilities are provided for on the basis of available information / estimates.

	CURRENT	PREVIOUS
2 <b><u>CONTINGENT LIABILITIES :</u></b>		
a] Guarantee outstanding.	Nil	Nil
b] Claim not acknowledged as debt.	Nil	Nil
3 Due to losses, Deferred Taxation in terms of Accounting Standard, Accounting for Taxes on Income (AS-22) issued by the Institute of Chartered Accountants of India, has not been considered.		
4 No provision has been made on Sundry Debtors which were outstanding for more than 3years as most of these are considered realisable.		
5 The Company does not have different segments and hence segment wise reporting in terms of Accounting Standard, Segment Reporting - (AS-17) issued by the Institute of Chartered Accountants of India is not applicable. Further the Company has not carried on any production during the financial		
6 <b>RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18 RELATED PARTI</b>		
A (I) Chairman:	Mr. Jayesh Katakia	
(ii) Directors:	Mr. Jayesh Katakia Mr. Chandan Paswan	
B <b>Related Party Transactions:</b>		
(i) Outstanding Loan Amount Payable to Associates Companies as at 31.03.2011		Nil
(ii) There are no write offs/write back of any amounts for any of the above related parties.		

7 **Basic and Diluted Earning Per Share**

For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered:

		(Rs. In Lacs)
	<u>For the year</u>	<u>For the year</u>
a) Net Profit after tax	(0.12)	(0.12)
Less: Dividend and tax thereon	-	-
Net Profit available for equity shareholders	(0.12)	(0.12)
b) Weighted average number of equity shares (Nos.)	3,010,500	3,010,500
c) Basic and Diluted Earning Per Share (Rs.)	(0.00)	(0.00)
8 <b>CIF VALUE OF IMPORTS</b>	Nil	Nil
9 <b>EXPENDITURE IN FOREIGN CURRENCY</b>	Nil	Nil

10 Previous Year"s figures have been regrouped where necessary to make them comparable with those of current year and shown in [ ].

**FOR K.R. TIWARI & CO.  
CHARTERED ACCOUNTANTS**

**SD/-  
K.R. TIWARI  
PROPRIETOR  
MEMBERSHIP NO. 43003**

**FOR INDIA E-COMMERCE LTD**

**SD/-  
DIRECTOR**

**SD/-  
DIRECTOR**

**PLACE: MUMBAI  
DATE: 12-08-2011**

**INDIA E - COMMERCE LIMITED**

[information pursuant to part IV of schedule VI to the companies Act,1956 ]  
**Balance Sheet Abstract and Company's General Business Profile**

**I REGISTRATION DETAILS**

Registration No. 14,091 State code: 11

**II CAPITAL RAISED DURING THE YEAR** NIL

**III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

	<u>[Amount (Rs.)]</u>
Total Liabilities	35,755,750
Total Assets	35,755,750

<u>SOURCES OF FUND</u>	<u>[Amount (Rs.)]</u>	<u>APPLICATION OF FUND</u>	<u>[Amount (Rs.)]</u>
Paid up Capital	30,105,000	Net Fixed Assets	-
Reserves & Surplus	5,650,750	Investments	9,990
Secured Loans	-	Net Current Assets*	3,310,347
Unsecured Loans	-	Miscellaneous Expenditur	-
		Profit & Loss Account	32,435,413

\*Net of Current Liabilities & Provisions

**IV PERFORMANCE OF COMPANY**

	<u>[Amount (Rs.)]</u>
Total Income	-
Total Expenditure	11,675
Profit before Tax	(11,675)
Profit after Tax	(11,675)
Earnings per share in Rupees	(0.00)

**V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY**

- 1 Item Code No.
- 2 Product Description

**FOR INDIA E-COMMERCE LIMITED**

SD/-  
**DIRECTOR**

SD/-  
**DIRECTOR**

PLACE:MUMBAI  
DATE: 12-08-2011

**INDIA E-COMMERCE LIMITED**

**Regd. Office:** 4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi Road, Fort, Mumbai-400001

**ATTENDANCE SLIP**

Name of the Attending Member:

Members Folio Number:

Members DP ID and Client ID No:

Name of proxy:

Number of Shares held:

I/We hereby record my/our presence at the 43rd Annual General Meeting of the Company to be held on Friday, the 30th September, 2011 at 11.00 A.M. at 4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi Road, Fort, Mumbai-400001.

**Signature of the Attending Member/Proxy:**

---

**INDIA E-COMMERCE LIMITED**

**Regd. Office:** 4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi Road, Fort, Mumbai-400001

**PROXY FORM**

Members Folio Number:

Members DP ID and Client ID No:

No. of Shares:

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of M/s. India E-Commerce Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or falling him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 43rd Annual General Meeting of the Company to be held on Friday, the 30th September, 2011 at 11.00 A.M. or at any adjournment thereof.

Signed this \_\_\_\_ day of \_\_\_\_\_ 2011

Signature of the Shareholder

**NOTE:**

**(1) THE PROXYIN OR TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**(2) MEMBERS HOLDING SHARES UNDER MORE THAN ONE FOLIO MAY USE PHOTOCOPY OF THIS PROXY FORM FOR OTHER FOLIOS. THE COMPANY SHALL PROVIDE ADDITIONAL FORMS ON REQUEST.**