

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, 28th day of September, 2012

Time : 11.00 A.M.

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

NOTICE

NOTICE is hereby given that the 44th 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, 28th day of September, 2012 at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS:

To receive, consider & adopt the Audited Balance Sheet as at 31st March, 2012 & Profit & Loss Account for the year ended on that date and the Reports' of the Board of Directors & Auditors thereon.

To appoint a Director in place of Mr. Chandan Paswan, who retires by rotation, and being eligible, offers himself for re-appointment.

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 : 14th August, 2012

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 22nd day of September, 2012 to Friday, the 28th day of September, 2012 (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.

DIRECTORS REPORT**Dear Members,**

Your Directors present their 44th Annual Report and Audited Statements of Accounts for the year ended on 31st March 2012.

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 31st March, 2012 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 31st March, 2012, 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 : 14th August, 2012

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 31st March, 2012 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 4 times on 30th April,2011, 12th August,2011, 14th November,2011 and 14th February,2012 during the financial year 2011-2012.

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	4	Yes	Nil	Nil	Nil
Mr. Arvind Jain	Non-Executive, Independent	4	Yes	Nil	Nil	Nil
Mr. Jayesh Katakia	Non-Executive, Promoter	4	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 4 times on 30th April,2011, 12th August,2011, 14th November,2011 and 14th February,2012 during the financial year 2011-2012.

Name	Number of Meetings Held	Meetings Attended
Mr. Jayesh Katakia	4	4
Mr. Arvind Jain	4	4
Mr. Chandan Paswan*	4	4

*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 2011-2012.

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	30.09.2011	11.00 am	4, Bahadur Manzil, 16/30, Store Lane, S.A. Brelvi Road, Fort, Mumbai-400001
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

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 44th Annual General Meeting for the financial year ended on 31st March 2012 is as follows :-

Day and Date : Friday, 28th September,2012

Time : 11.00 A.M.

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

b **Financial Year** : 1st April to 31st March

c **Future Calendar** :

Subject Matter**Date**

Financial Reporting of 1st Quarter ended on 30th June 2012

14th August,2012

Financial Reporting of 2nd Quarter ended on 30th September 2012

14th November,2012

Financial Reporting of 3rd Quarter ended on 31st December 2012

14th February,2013

Financial Reporting of 4th Quarter ended on 31st March 2013

30th May,2013

Date of Annual General Meeting

During September,2013

d **Date of Book Closure** : September 22 to September 28, 2012 (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 2011 to March, 2012 and hence no data have been provided for that period.

l 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
Email: rnt.helpdesk@linkintime.co.in

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 31st March, 2012 is given below:

Sr. No	Shares of Nominal Value of Rs.	No. of Shareholders	Share Amount	% of Total shares
1.	1 -5,000	594	1480720	4.9186
2.	5,001 -10,000	127	1050450	3.4893
3.	10,001 -20,000	34	535600	1.7791
4.	20,001 -30,000	6	148000	0.4916
5.	30,001 -40,000	1	39000	0.1295
6.	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
	TOTAL	798	3,01,05,000	100.00

l Shareholding Pattern as on 31st March,2012 :

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

Sd/-

CHANDAN PASWAN
Director

Place: Mumbai
Date: 14.08.2012

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

Sd/-

CHANDAN PASWAN
Director

Place: Mumbai
Date: 14.08.2012

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 31st March, 2012, 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: 14.08.2012

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 2012, 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 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.

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

- 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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 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, 2012 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: 14.08.2012

K. R. TIWARI & CO.

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

5/ A, Hawa Hira Mahal, Daftary Road,
Malad (East), Mumbai – 400 097.
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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.

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

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, 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.

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

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: 14.08.2012

BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note	AS AT 31ST MARCH, 2012	AS AT 31ST MARCH, 2011
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	30,105,000	30,105,000
(b) Reserves and surplus	2	(26,796,453)	(26,784,663)
Current liabilities			
(a) Other current liabilities	3	55,000	50,000
TOTAL		3,363,547	3,370,337
II. ASSETS			
Non-current assets			
(a) Non-current investments	4	9,990	9,990
Current assets			
(a) Trade Receivables	5	3,332,057	3,332,057
(b) Cash and bank balances	6	21,500	28,290
TOTAL		3,363,547	3,370,337
Summary of significant accounting policies	8		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For K R TIWARI & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 111003W

Sd/-

K. R. TIWARI
PROPRIETOR
MEMBERSHIP NO. 43003

PLACE: MUMBAI
DATE: 14-08-2012

FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS

Sd/-

DIRECTOR

Sd/-

DIRECTOR

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31-03-2012

Particulars	Note	Current year ended 31-3- 2012	Previous year ended 31-3-2011
I Revenue from operations		-	-
II Other income		-	-
III Total Revenue (I + II)		-	-
IV Expenses:			
(a) Cost of materials consumed		-	-
(b) Purchases of stock-in-trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
(d) Employee benefits expense		-	-
(e) Finance costs		-	-
(f) Depreciation and amortisation expense		-	-
(g) Other expenses	7	11,790	11,675
Total Expenses (IV)		11,790	11,675
V Profit before tax (III- IV)		(11,790)	(11,675)
VI Tax expenses:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII Profit / (Loss) for the period (V - VI)		(11,790)	(11,675)
Earnings per share (Face value of ₹ 10 each) (Refer Note 15) Basic & Diluted		(0.00)	(0.00)
Summary of significant accounting policies	8		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For K R TIWARI & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 111003W

Sd/-

K. R. TIWARI
PROPRIETOR
MEMBERSHIP NO. 43003

PLACE: MUMBAI
DATE: 14-08-2012

FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS

Sd/-

DIRECTOR

Sd/-

DIRECTOR

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

Particulars	Current year	Previous year
A) CASH FLOW FROM OPERATING ACTIVITIES		
a) Profit / (Loss) After taxation & Adjustments / Writebacks	(11,790)	(11,675)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(11,790)	(11,675)
Adjustments:		
i) Increase / (Decrease) in Other current liabilities	5,000	5,000
ii) (Increase) / Decrease in Trade receivables	-	-
iii) (Increase) / Decrease in Short term loans and advances	-	-
	5,000	5,000
CASH GENERATED FROM OPERATIONS	(6,790)	(6,675)
B) CASH FLOW FROM INVESTING ACTIVITIES	-	-
C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Short-term Borrowings	-	-
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	-	-
NET CHANGE IN CASH & CASH EQUIVALENTS (A+B+C)	(6,790)	(6,675)
Cash and Cash equivalent - Opening Balance	28,290	34,965
Cash and Cash equivalent - Closing Balance (Refer Note 6)	21,500	28,290
NET INCREASE/ (DECREASE)	(6,790)	(6,675)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For K R TIWARI & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 111003W

Sd/-

K. R. TIWARI
PROPRIETOR
MEMBERSHIP NO. 43003

PLACE: MUMBAI
DATE: 14-08-2012

FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS

Sd/-

DIRECTOR

Sd/-

DIRECTOR

NOTE-1 SHARE CAPITAL

Particulars	AS AT 31 MARCH 2012		AS AT 31 MARCH 2011	
	Nos.		Nos.	
Authorised:				
Equity Shares of ' 10 each	6,000,000	60,000,000	6,000,000	60,000,000
	6,000,000	60,000,000	6,000,000	60,000,000
Issued, Subscribed & Paid Up:				
Equity Shares of ' 10 each fully paid-up	3,010,500	30,105,000	3,010,500	30,105,000
Total	3,010,500	30,105,000	3,010,500	30,105,000

a) Shares outstanding at the beginning of the year & at the end of the year :

No shares have been issued or bought back during the current year and previous year

b) Detail of shareholders' holding more than 5% shares in the company:

Particulars	AS AT 31 MARCH 2012		AS AT 31 MARCH 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jayesh Katakia	440550	14.63	440550	14.63
Ketan Katakia	514,450	17.09	514,450	17.09

c) Terms / Rights attached to Equity Shares:

The company has only one class of equity share having a par value of ' 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company the holder of equity share will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of equity share held by the shareholders

d) Aggregate number of bonus share issued, share issued for consideration other than cash & share bought back during the period of five years immediately preceding before the reporting date:

During the period of preceding five yrs, the company has not:
- allotted any share without payment being received in cash;

- allotted any share by way of bonus share; and
- bought back any share.

Note 2 - RESERVES AND SURPLUS

Particulars	As at 31st March, 2012	As at 31st March, 2011
Securities Premium Account	5,650,750	5,650,750
Surplus :		
Balance as per last financial statement	(32,435,413)	(32,423,738)
Add:- Loss For the period	(11,790)	(11,675)
Closing balance	(32,447,203)	(32,435,413)
Total	(26,796,453)	(26,784,663)

Note 3 - OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Other payables: Liabilities for Expenses	55,000	50,000
Total	55,000	50,000

Note 4 - NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2012	As at 31st March, 2011
333 Equity Shares of Rs. 10/- each fully paid up of The Mercantile Co-op.	9,990	9,990
Total	9,990	9,990

Note 5 - TRADE RECEIVABLES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	-	-
Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	3,332,057	3,332,057
Total	3,332,057	3,332,057

Note 6 - CASH & BANK BALANCES

Particulars	As at 31st March, 2012	As at 31st March, 2011
a) Cash & Cash Equivalents: Cash on hand	21,335	28,125
b) Other bank balances: In Current Account	165	165
Total	21,500	28,290

Note 7 - OTHER EXPENSES

Particulars	As at 31st March, 2012	As at 31st March, 2011
Salary	6,000	6,000
Conveyance	790	675
Payment to auditors (Refer Note 17)	5,000	5,000
Total	11,790	11,675

NOTE 8 - Summary of significant accounting policies**a] Basis of Accounting:**

The financial statements have been prepared in accordance with the generally accepted accounting principles under the historical cost convention on an accrual basis and in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India and in compliance with the provisions of the Companies Act, 1956.

b] Use of Estimates:

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialised.

c] Fixed Assets:

Fixed Assets, if any are stated at cost, net of cenvat availed, less accumulated depreciation. Capital work in progress, if any comprises cost of fixed assets that are not ready for its intended use. Exchange gain or loss on adjustments arising from exchange rate variations attributable to the fixed assets is capitalised.

d] Depreciation and amortisation:

Depreciation on fixed assets is provided on straight line method, at the rates and in the manner specified in schedule XIV of the Companies Act, 1956. Depreciations on additions to / deletions from fixed assets is provided on pro-rata basis from / up to the date of such additions / deletions as the case may be. Assets costing less than ₹ 5,000/- each are fully depreciated in the year of purchase.

e] Impairment of Fixed Assets:

At the end of each reporting period, the company determines whether the provision should be made for impairment loss to fixed assets by considering the indications that the impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by ICAI. The impairment loss is charged to Statement of Profit and Loss in the period in which an asset is identified as impaired, when the carrying value of assets exceeds its recoverable value. The impairment loss recognised in the earlier

periods is reversed, if there has been a change in the estimate of recoverable amount.

f] Leases:

Lease payments under operating leases, if any are recognised as an expense on a straight line basis in the Statement of Profit and Loss over the lease term.

g] Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised if, as a result of a past event, the company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as a contingent liability. A disclosure of contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognised nor disclosed in the financial statements, it becomes probable that an out flow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Contingent liabilities and Contingent assets are neither recognised nor disclosed in the accounts.

h] Earning per share:

Basic earning per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by dividing the net profit after tax (by adjusting any tax benefits) by the weighted average number of equity shares considered for deriving basic earning per share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

i] Miscellaneous Expenditure:

Preliminary expenses, if any are amortised and charged-off to Statement of Profit and Loss in the year in which it is incurred.

9 CONTINGENT LIABILITIES : Nil (Previous Year Nil)

10 Trade Receivables includes payment which are overdue amounting to ₹ 33.32 lakhs. However, no provision has been made in the accounts for the same .

11 The Company does not envisage any immediate possibilities of restructuring its activities in foreseeable future. In view of this 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.

12 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 year.

13 Depreciation has not been provided for since there is no fixed assets.

14 **RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18.**

A. Relationship: Associate Companies - Not Applicable

B. Key Managerial Personnel:

(i) Mr. Jayesh Katakia

(ii) Mr. Ketan Katakia

Related Party Transactions:

(i) Outstanding Loan Amount (including interest payable) to associate companies and director and other Parties as at 31.03.2012 is Nil (Previous Year - Nil)

(ii) There are no write offs/ write back of any amounts for any of the above related parties.

(iii) Other Transactions - Nil

15 Basic and Diluted Earning Per Share (AS -20)

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

Particulars	(' in Lacs)	
	Current Year 2011-2012	Previous Year 2010-2011
a) Net Profit/ (Loss) after tax	(11,790.00)	(11,675.00)
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)

16 There has been no imports or expenditure in foreign currency either during the year or in the previous year and hence no relevant information is furnished.

17 Details of payment to auditors:

Particulars	Current Year	Previous Year
	2012-2013	2011-2012
a) Audit fees	5,000	5,000
b) Limited review	-	-
c) Out of pocket expense	-	-
	5,000	5,000

18 Previous Year's figures have been regrouped wherever necessary to make them comparable with those of current year figures.

For K R TIWARI & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 111003W

Sd/-

K. R. TIWARI
PROPRIETOR
MEMBERSHIP NO. 43003

PLACE: MUMBAI
DATE: 14-08-2012

FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS

Sd/-

DIRECTOR

Sd/-

DIRECTOR

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 44th Annual General Meeting of the Company to be held on Friday, the 28th September, 2012 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 44th Annual General Meeting of the Company to be held on Friday, the 28th September, 2012 at 11.00 A.M. or at any adjournment thereof.

Signed this _____ day of _____ 2012

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.