

# **Annual Report**

**2011 - 2012**



**INDO WEBSEC LIMITED**

*Indo Websec*

**BOARD OF DIRECTORS**

Mr Narendar Nath Jain, Chairman  
 Mr Nitin Jain, Managing Director  
 Mr Harish Sabarwal, Director  
 Mr Sanjeev Juneja Director  
 Mr Hari Om Bhatia, Additional Director  
 Mr Shanit Jain, Additional Director

**AUDITORS**

M/s P Aggarwal & Associates  
 Chartered Accountants  
 908, Arunachal, 19 Barakhamba Road  
 New Delhi- 110 001

**BANKERS**

HDFC Bank Ltd, Kamla Nagar  
 D-147, Kamla Nagar  
 New Delhi - 110 007.

Punjab National Bank, Mukherjee Nagar,  
 Mukherjee Nagar, Delhi - 110 009

**REGISTERED OFFICE**

21-A, 3rd Floor, Savitri Bhawan,  
 Commercial Complex, Mukherjee Nagar,  
 New Delhi- 110 009  
 Phone No.+91-011-27654949  
 Fax- +91-011-27654959  
 Email- id: iwl@unf.in

**STOCK EXCHANGE**

Delhi Stock Exchange of India  
 DSE House, 3/1, Asaf Ali Road,  
 New Delhi - 110 002

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**NOTICE**


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**Notice** is hereby given that the Annual General Meeting of the Members of the Company will be held on Thursday, 20<sup>th</sup> September, 2012 at 03.00 P.M. at Mitraz Restaurant, F-14/7, Model Town Part-II, Delhi- 110 009 to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Director (along with the Compliance Certificate) thereon.
2. To appoint a Director in place of Mr Sanjeev Juneja who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

**Special Business:**

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"Resolved That** Mr Shanit Jain, who was appointed as an Additional Director to hold office till the date of the Annual General Meeting be and is hereby appointed as Director of the Company, whose office shall be liable to determination through retirement by rotation."

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution:**

**"Resolved That** pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule of XIII of the Companies Act, 1956 and other applicable provisions, if any (including any statutory modifications or re-enactments thereof, for the time being in force) & provisions of the Articles of Association of the Company and other applicable provisions, if any, the consent of the members be and is hereby accorded for appointment of Mr Shanit Jain as Whole Time Director of the Company with effect from 20<sup>th</sup> September, 2012 on the terms and conditions as mentioned below and with the liberty to the Board of Directors to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in the Schedule XIII of the Companies Act, 1956.

Designation : Whole Time Director

Tenure : from 20<sup>th</sup> September, 2012 till 19<sup>th</sup> September, 2017

Remuneration: Monthly remuneration of Rs. 25,000 (Rupees Twenty Five Thousand only) whether paid as Salary, allowance(s), perquisites or a combination thereof.

**Resolved further that** the following perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

**Resolved further that** payment/ re-imbursment of telephone and/ or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

**Resolved further that** in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

**Resolved further that** the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

**Resolved further that** the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"Resolved That** Mr. Hari Om Bhatia, who was appointed as an Additional Director to hold office till the date of the Annual General Meeting be and is hereby appointed as Director of the Company, whose office shall be liable to determination through retirement by rotation."
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:  
**"Resolved that** pursuant to the provisions of section 81(1A) of the Companies Act, 1956, the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, the Foreign Exchange Management Act, 1999, guidelines issued by the Reserve Bank of India or other competent authorities in this behalf, the Memorandum & Articles of Association of the Company and other applicable provisions, if any, and subject to all such approvals, permissions and sanctions, as may be necessary or required, the consent of the Members of the Company be and is hereby given and the Board of Directors of the Company be and is hereby authorised to offer, issue and allot up to 1,57,400 forfeited equity shares of the Company at a price of Rs. 10 per share payable in cash, to the persons which board may decide by way of private placement on preferential allotment basis, in one or more tranches, as per the terms and conditions given in the Explanatory Statement annexed to this notice, which, inter alia, include that the Equity Shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including as to dividend with the existing equity shares of the Company except that new equity shares will be subject to lock-in requirement in terms of the provisions of the SEBI Guidelines.  
**Resolved further that** the Board of Directors of the Company be and is hereby authorised to reduce, change or modify the number of shares to be issued, to finalize and modify the terms and conditions, quantum, increase the price at which the shares were issued, timings and all other matters relating to the issue and allotment of the aforesaid preferential issue of equity shares, to agree to such conditions or modifications that may be imposed, required or suggested by the Securities & Exchange Board of India (the SEBI), Stock Exchange(s) or other authorities, or that may otherwise be deemed fit or proper by the Board without being required to seek any further consent or approval of the Company in General Meeting and to settle all questions or difficulties that may arise with regard to the aforesaid in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matters and things as may be required, necessary, proper or expedient, to give effect to this Resolution.  
**Resolved further that** the Board of Directors of the Company be and is hereby authorised to delegate all or any of the previously mentioned powers/authorities to any committee of Directors and/or officers or to any one or more directors and officers of the Company as it may deem fit and proper."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution** :  
**"Resolved that** subject to the provisions of section 21 and 31 of the Companies Act, 1956 and other applicable provisions, if any, and subject to the approval of Central Government and other competent authorities, as may be required, the name of the Company be and is hereby changed from **"Indo Websec Limited"** to **"Fruition venture Limited"**  
**Resolved further that** Clause I of the Memorandum of Association of the Company being the Name Clause, be substituted with the following new Clause:  
1. *The Name of the Company is Fruition venture Limited.*  
**Resolved further that** the name- **"Indo Websec Limited"**, wherever it appears in the Memorandum of Association and the Articles of Association of the Company, be substituted with the new name- **"Fruition venture Limited"**  
**Resolved further that** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things that may be necessary, proper or expedient, to give effect to this resolution.

**Resolved further that the Board of Directors of the Company be and is hereby authorised to agree to such changes/modifications as may be suggested by the Registrar of Companies or other competent authorities or that may otherwise deem fit by the Board and to take such other steps as may be required to give effect to this resolution.**

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a

**Special Resolution :**

**"Resolved that pursuant to the provisions of section 149(2A) of the Companies Act, 1956, and other applicable provisions, if any, the consent of the members of the Company be and is hereby given to adopt sub clauses no. 39 to 54 of Clause III-C (Other Objects Clause) of the Memorandum of Association of the Company and to commence and carry on all or any one or more of the businesses and activities as mentioned in these sub-clauses.**

**Resolved further that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."**

		For and on Behalf of the Board For Indo Websec Limited
Date :	13th August 2012	Sd/- Nitin Jain
Place :	New Delhi	Managing Director

**Notes:**

- A. **Appointment of Proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.
- B. **Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. **Members/Proxies attending the meeting** are requested to bring their copy of Annual Report to the Meeting.
- D. **Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 14<sup>th</sup> September 2012 to Thursday, 20<sup>th</sup> September 2012 (both days inclusive) for the purpose of the AGM.
- F. **Members** are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company- RCMC Share Registry Private Limited, B-106, Sector 2, Noida 201 301, Phone No 0120-4015880.
- G. **Shareholders** are requested to register or update their Email-ids on mail of the Company at iw@unf.in
- H. **Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- I. The information required to be provided under the Listing Agreement regarding the Directors proposed to be reappointed is given in the annexure to the Director's Report.
- J. **Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 4 to 9 are enclosed herewith.

**Explanatory Statement pursuant to section 173(2) of  
the Companies Act, 1956**

**Item No. 4 & 5**

Mr Shanit Jain was co-opted on the Board of the Company as Additional Director to hold office until the date of ensuing annual general meeting.

The Company has received notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr Shanit Jain for the office of Director of the Company in the ensuing Annual General Meeting. Mr Shanit wanted to take larger participation in the Company as Executive Whole- Time Director.

The Board recommends the proposed resolution at item no 4 & 5 for adoption of members in the larger interest of the Company.

None of the Directors except Mr Shanit Jain is interested and concerned in the proposed resolution.

**Item No. 6 :**

Mr Hari Om Bhatia was co-opted on the Board of the Company as Additional Director to hold office until the date of ensuing annual general meeting.

The Company has received notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr Hari om Bhatia for the office of Director of the Company in the ensuing Annual General Meeting.

The Board recommends the proposed resolution at item no 5 for adoption of members in the larger interest of the Company.

None of the Directors of the company except Mr Hari om Bhatia himself is interested and concerned in the proposed resolution.

**Item No. 7 :**

1,57,400 equity shares were forfeited by the company for the non-payment of call money. The Company is proposing to re-issue these equity shares. Since the quantity is not very large, your Board is of the opinion that proportionate offer to all the shareholders of the company does not make any sense. Accordingly, your Board is proposing to re-issue these shares to M/s Nitin Jain (HUF).

The proposed allottee belongs to the promoters group of the company. Though re-issue of forfeited shares may not be covered under the relevant guidelines issued by the SEBI for preferential issue, shares are proposed to be reissued at the price of Rs. 10 (Rs. ten only) per shares being price calculated in terms of the SEBI guidelines for preferential issue. Relevant information/ details about the allottee company are given below:

**Instrument and Numbers :** The Company is proposing to re-issue 1,57,400 equity shares which were forfeited for non-payment of call money.

**Issue Price :** The shares of the Company are listed on the Delhi Stock Exchange. There is no trading in the securities of the Company for the last six months. So, the pricing formula for the determination of the issues price as per SEBI (DIP) Guidelines is not applicable in the present case. The issue price of the Equity Shares/ resultant Equity Shares is fixed at Rs. 10 per share being the face value of shares.

**Payment :** In terms of the provisions of the SEBI Guidelines, 100% of the issue price of the equity shares shall be payable at the time of re-issue of equity shares of the Company.

**Identity & Particulars of proposed allottee :** Present re-issue of equity shares is proposed to be made to M/s. Nitin Jain (HUF), belonging to the Promoter Group.

**Pre-issue holding of the proposed Allottee :** The proposed M/s Nitin Jain (HUF) is holding Nil shares in the company as on date of this notice.

**Post-issue holding of the proposed Allottee :** Post re-issue shareholding of the proposed Allottee will be 1,57,400 equity shares of Rs 10 each.

**Lock-in Period :** Equity share proposed to be reissued subject to lock in requirement in terms of provision of SEBI guidelines for three years. As there is no pre-issue shareholding of the proposed allottee of Equity Shares, there is no question of lock-in of pre-issue shareholding in the Company.

**Intention of promoters/directors/key management persons to subscribe :** Promoters/directors/key management persons intend to subscribe to the present re-issue of forfeited equity shares.

**Pre-issue & Post-issue Shareholding Pattern of the Issuer Company:** Pre-issue and post issue shareholding pattern of the Issuer Company will be as below :

		Pre Issue		Post Issue	
		No. of Shares	% of Paid Up Capital	No. of Shares	% of Paid Up Capital
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
-1	<b>Indian</b>				
(a)	Individuals / Hindu Undivided Family	1366001	45.65	1523401	48.36
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Bodies Corporate	-	-	-	-
(d)	Financial Institutions/Banks	-	-	-	-
(e)	Any Other (specify)	-	-	-	-
	Sub-Total (A)(1)	1366001	45.65	1523401	48.36
-2	<b>Foreign</b>				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any Other (specify)	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	1366001	45.65	1523401	48.36
<b>(B)</b>	<b>Public Shareholding</b>				
-1	<b>Institutions</b>				
(a)	Mutual Funds/UTI	-	-	-	-
(b)	Financial Institutions/Banks	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Any Other (specify)	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-
-2	<b>Non Institutions</b>				
(a)	Bodies Corporate	137500	4.59	137500	4.38
(b)	Individuals -				
	i. Individual shareholders holding nominal share capital upto Rs.1 Lakh	1180099	39.43	1180099	37.46
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	309000	10.33	309000	9.80
(c)	Any other (specify) Non-resident Indian/OCB	-	-	-	-
(d)	Any other (specify) Clearing Member	-	-	-	-
	Sub-Total (B)(2)	1626599	54.35	1626599	51.64
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	1626599	54.35	1626599	51.64
	<b>TOTAL (A)+(B)</b>	<b>2992600</b>	<b>100.00</b>	<b>3150000</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by custodians and against which Depository Receipts have been issued</b>				
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2992600</b>	<b>100.00</b>	<b>3150000</b>	<b>100.00</b>

\* None of the shares has been pledged.

**Objects and purpose of the re-issue of the forfeited equity shares**

The proceeds of the proposed re-issue of equity shares will be utilized in strengthening the financial position of the company. The funds will be used in augmentation of the long term fund/working capital fund of the company.

**Proposed time of re-issue**

The re-issue of Equity Shares will be made within a period of 15 days from the date of passing of the aforesaid Special Resolution by the members, excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

The Statutory Auditors of the Company has certified that the proposed re-issue of equity shares, on the above terms and conditions, is in accordance with the requirements contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended up to date.

In terms of the provisions of the Companies Act, 1956, the consent of members by way of a special resolution is required. Your Directors recommend the resolution.

The Board recommends the resolution for adoption by the members.

Mr Nitin Jain, Directors of the Company may be deemed to be interested and concerned in the proposed resolution.

**Item No. 8**

The Board of Directors proposes to opt for a general name without mentioning any specific line of activity to enable the Company to explore various business avenues in the industrial segment. Your Board proposes to change the name of the Company from Indo websec Ltd to Fruition venture Limited. The proposed name has already been made available to the Company by the Registrar of Companies, NCT of Delhi & Haryana.

Approval of members by way of special resolution is required to for the aforesaid resolution. The Directors recommend and place before you the proposed resolution for your consideration and approval.

None of the Directors is concerned or interested in proposed resolution.

**Item No. 9**

The Board of Directors are exploring several business opportunities including trading in computer hardware, software, I.T. etc. Accordingly, your Board has decided to make necessary alteration in the Other Object Clause of the Memorandum of Association of the Company.

Consent of the members is also sought for authorization to the Board to commencement all or any of these Other Objects of the Memorandum of Association.

The proposed change in Objects Clause of Memorandum of Association of the Company would enable the Company to carry on the business of the Company more efficiently and economically.

In terms of the provisions of the Companies Act, 1956, the proposals are required to be approved by the members by a special resolution. Your Directors recommend and place before you the proposed resolution for your consideration and approval.

None of the Directors is concerned or interested in the proposed resolution.

		For and on Behalf of the Board For Indo Websec Limited
Date :	13th August 2012	Sd/- Nitin Jain
Place :	New Delhi	Managing Director



**DIRECTORS' REPORT**

**Dear Members**

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2012.

**Financial Highlights**

(Amount in Rs.)

Particulars	Financial Year ended	
	31st March, 2012	31st March, 2011
Total Income	1,553,083.00	26,550,811.00
Total Expenditure	4,604,873.00	29,550,985.00
Profit before tax	(3,051,790.00)	(3,000,174.00)
Provision for tax	-	-
Profit after tax	(2,060,253.47)	(2,048,565.45)
Transfer to Reserve	-	-
Paid-up Share Capital	30,072,320.00	30,072,320.00
Reserves and Surplus (excluding revaluation reserve)	-	-

**Year in Retrospect**

During the year under review, total income of the Company was Rs. 1,553,083.00 as against Rs. 26,550,811.00 in the previous year. The Company incurred the losses of Rs. 2,060,253.47 as against Rs. 2,048,565.45 in the previous year. Your Directors are putting in their best efforts to improve the performance of the Company.

**Material Changes etc.**

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company- 31<sup>st</sup> March, 2012 and the date of this Report.

**Dividend**

In view of loss incurred by the Company, your Directors be disappointed their inability to recommend any dividend.

**Corporate Governance**

The company had complied with the provisions of clause 49 of the listing agreement relating to the corporate governance.

**Public Deposits**

During the period under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

- Conservation of Energy:** Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not quite relevant to its functioning.
- Export Activities:** There was no export activity in the Company during the year under review. The Company is not planning any export in the near future as well.
- Foreign Exchange Earnings and Outgo:** There was no Foreign Exchange earnings and outgo during the year under review.
- Foreign Exchange Earnings Nil  
Foreign Exchange Outgo Nil

**Particulars of Employees**

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

**Particulars of Employees**

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

**Directors**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Sanjeev Juneja is liable to retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

**Auditors**

M/s P Aggarwal & Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

**Auditors' Report**

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

**Directors' Responsibility Statement**

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 and of the profit of the Company for the year ended on that date;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. The Directors have prepared the Annual Accounts on a going concern basis.

**Stock Exchange Listing**

The shares of the Company are listed on the Delhi Stock Exchange. The listing fee for the financial year 2012-13 has already been paid to the Delhi Stock Exchange.

**Acknowledgement**

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

		For and on Behalf of the Board For Indo Websec Limited	
<b>Date :</b>	<b>13th August 2012</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Place :</b>	<b>New Delhi</b>	<b>Nitin Jain</b>	<b>N N Jain</b>
		<b>Managing Director</b>	<b>Director</b>

## Compliance Certificate

CIN: L 74899 DL 1994 PLC 058824

Nominal Capital:

Rs. 4 Cr

The Members of  
**Indo Websec Ltd**  
 New Delhi

We have examined the registers, records, books and papers of **Indo Websec Ltd** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under, the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the financial year ended on 31<sup>st</sup> March, 2012:

1. The Company has kept and maintained registers as stated in "Annexure: A" to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in "Annexure: B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules.
3. The Company is a listed public limited company.
4. The Board of Directors duly met 7 (Seven) times on 12.05.2011, 26.07.2011, 06.08.2011, 13.10.2011, 10.11.2011, 25.11.2011 and 09.02.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 28<sup>th</sup> September, 2011 to 29<sup>th</sup> September, 2011 (both days inclusive). However the Company did not publish the public notice of the Book Closure as required under the provisions of section 154 of the Act. The Company did not have any debentures.
6. The annual general meeting of the Company for the financial year ended 31<sup>st</sup> March, 2011 was held on 29<sup>th</sup> September, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors and/or persons or firms or companies referred to in section 295 of the Act.
9. The Company has not entered into contracts falling under section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. There was no case falling under section 314 of the Act.
12. The Company has not issued any duplicate share certificate.
13.
  - a. The transfers were duly completed by the RTA during the financial year.
  - b. The Company has not declared any dividend during the financial year.
  - c. Since the Company has not declared any dividend during the financial year, postage of dividend warrants, etc., was not applicable. The Company was not required to transfer any unclaimed/unpaid dividend to Unpaid Dividend Account with the Bank.
  - d. The Company was not required to transfer any amount on account of un-paid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained un-claimed or un-paid for a period of seven years to the Investor Education and Protection Fund.
  - e. The Company has duly complied with the requirements of section 217 of the Act.
14. During the year under review, the Board of the Company is duly constituted and appointment of directors, additional directors, alternate directors and directors to fill casual vacancies, have been duly made.
15. The Company has not appointed any managing director, whole time director or manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.

17. The Company did not obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies or other prescribed authorities under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any equity shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. The Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares, as there was no such offering from the Company during the financial year.
23. The Company has not invited or accepted any public deposits including un-secured loans taken, falling under section 58A of the Act during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others was within the borrowing limits of the Company.
25. The Company has complied with applicable provisions of the Act in making loans and investments or giving guarantees or providing securities to other bodies corporate and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Registered Office of the Company from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects Clause of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the Name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Authorized Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under review.
31. There was no prosecution initiated against or show cause notice received by the Company for alleged offenses under the Act. Similarly, no fines, penalties or punishment was imposed on the Company under the Act during the financial year.
32. The Company has not received any amount as security from its employees in terms of section 417(1) of the Act.
33. Since the Company has not constituted any provident fund under section 418 of the Act, provisions of section 418 are not applicable to the company.

		For Jinu Jain Company Secretaries
Date :	13th August 2012	Sd/- Jinu Jain
Place :	Delhi	ACS : 22076; CP: 10379

Annexure: A

**Indo Websec Ltd  
Registers maintained by the Company**

Sl. No.	Particulars	Relevant Section
1.	Copies of Annual Returns	159
2.	Register of Members	150
3.	Register of Particulars of Directors, Managing Director, Manager and Secretary	303
4.	Register of Directors' Share holding	307
5.	Register of contract in which directors are interested	301
6.	Register of Share Transfer	—
7.	Register of Charges	143

Indo Websec Ltd

Annexure: B

**A. Forms & Returns filed with the Registrar of Companies, New Delhi**

Sl. No.	Particulars of Forms & Returns Filed	Date of Filing	Whether filed within prescribed time	Additional Fees paid
1.	Form 23B filed by the Auditors of the Company	30-12-2011	No	NA
2.	Form 66 for filing Compliance Certificate u/s 383A for the year ended 30.06.2010	28-11-2011	Yes	NO
3.	Form 23AC and 23ACA for Annual Accounts u/s 220 for the year ended 31.03.2011	31-12-2011	Yes	NO
4.	Form 20B u/s 159 for filing Annual Return for AGM held on 31.12.2010	31-12-2011	Yes	NO

**B. Forms & Returns filed with the Regional Director, Central Government or other authorities**

Nil

**MANAGEMENT DISCUSSION AND ANALYSIS :**

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

The Company strongly believes that Internal Control Systems are necessary for Good Corporate Governance and has in place an effective system of internal controls to ensure that all assets are properly safeguarded and protected and used optimally and financial transactions are reported accurately. Cautionary Statement Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry - global or domestic or both, significant changes in political and economic environment in India, applicable statutes, litigations etc.

**DISCLOSURES BY MANAGEMENT TO THE BOARD :**

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors do not participate in the discussions nor do they vote on such matters.

**REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Our Company's philosophy on Corporate Governance envisages attainment of highest levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

**2. BOARD OF DIRECTORS**

The Company maintains an optimum combination of directors. The Board consists of total Six (6) directors.

The Constitution of the Board is as follows:

Name of the Director & Designation	Category	No. of positions held in other Public Companies		
		Board	Committee	
			Membership	Chairmanship
Mr Nitin Jain Managing Director	Executive Promoter	Nil	Nil	Nil
Mr Narendra Nath Jain Director	Executive Promoter	Nil	Nil	Nil
Mr Harish Sabarwal Director	Non Executive Independent	Nil	Nil	Nil
Mr Ravinder Kumar Jain* Director	Non Executive Independent	Nil	Nil	Nil
Mr Sanjeev Juneja Director	Non Executive Independent	Nil	Nil	Nil
Mr Hari Om Bhatia** Additional Director	Non Executive Independent	Nil	Nil	Nil
Additional Mr Shanit Jain**	Executive Promoter	Nil	Nil	Nil

\*Resigned from Board on 31st July, 2012

\*\* Appointed on Board on 31st July, 2012

**Directors' Attendance Record**

During the Financial Year 2011-12, 7(Seven) Meetings of Board of Directors were held on 12.05.2011, 26.07.2011, 06.08.2011, 13.10.2011, 10.11.2011, 15.11.2011 and 09.02.2012. The Board was duly supplied with the agenda of the meetings incorporating all material information for facilitating meaningful and focused discussions at the meeting. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the financial year 2011-12 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Nitin Jain Managing Director	7	7	Yes
Mr Narendra Nath Jain Director	7	7	Yes
Mr Harish Sabarwal Director	7	7	Yes
Mr Ravinder Kumar Jain Director	7	7	Yes
Mr Sanjeev Juneja Director	7	7	Yes

**Disclosure Regarding Appointment & Re-appointment of Directors in the ensuing AGM**

Mr Sanjeev Juneja, Directors who shall be retiring in this AGM, being eligible have offered themselves for re-appointment. Mr Shanit Jain and Mr Hari Om Bhatia were appointed as additional Directors of the Company and are proposed to be appointed as Ordinary Directors of the Company in the AGM. Brief particulars of these directors are as follows:

Particulars	Mr. Sanjeev Juneja	Mr. Shanit Jain	Mr. Hari Om Bhatia
<b>DIN</b>	02984880	05338933	03316423
<b>Father's Name</b>	Late Sri Madan Gopal Juneja	Mr. Nitin Jain	Mr. Manohar Lal Bhatia
<b>Date of Birth</b>	11-05-1977	23-03-1993	30-08-1958
<b>Address</b>	H.No.-153, Block-D Kamla Nagar, Delhi-110007	E-3/16, Model Town, Part-II, Delhi-110009	D-14A/6, Model Town, Part-III, Delhi-110009
<b>Designation</b>	Director	Director	Director
<b>Education</b>	Graduate	1) Completed High School & rec. IB Diploma 2) Pursuing BSC Honors in Business Management	CA & CS
<b>Experience</b>	12 - 14 years	3 Months exp. in EGE Global Education	More than 30 YEARS of post-qualification exp. with various industries comprising FMCG Real estate, Construction, Pharmaceutical, White goods and Appliances, Retail, Information Technology, Financial Services, Foreign Exchange Services, Business Consulting and many more. His expertise comprises of Finance, Treasury Management, Profit Center management, formulating business growth strategy.

<b>Companies in which holds Directorship</b>	1. CARE FIRST TELENET PVT. LTD. 2. INDO WEBSEC LTD.	INDO WEBSEC LTD.	1. FIRST CHANNEL ENTERPRISES PVT. LTD. 2. AMATYA BUSINESS CONSULTING PVT. LTD. 3. INDO WEBSEC LTD.
<b>Companies in which holds membership of committees</b>	NIL	NIL	NIL
<b>Shareholding in the Company (No. &amp; %)</b>	NIL	NIL	NIL
<b>Relationship with other Director</b>	NIL	Yes	NIL

**3. AUDIT COMMITTEE**

**(a) Terms of Reference**

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the provisions of the Clause 49 of the Listing Agreement. The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

- a. To review the Company's financial reporting process and ensure that the financial statements give a true and fair view of the affairs of the Company.
- b. To review the Company's audit procedures and techniques.
- c. To review with the management, external and internal procedures and the adequacy of internal control systems.
- d. To review the quarterly and annual financial statements and submit the same to the Board.
- e. Any other matter that may be delegated by the Board from time to time.

**(b) Composition**

The Audit Committee of the Company comprises of two non executive independent directors i.e. Mr Harish Sabarwal, Mr Ravinder Kumar Jain\*, Mr Hari Om Bhatia\*\* and Mr Nitin Jain as the Promoter Director.

\*Resigned from Board on 31<sup>st</sup> July, 2012

\*\*Appointed on 31 July, 2012

**(c) Attendance**

The Committee met 4 (four) times during the Financial Year 2011-2012 on the following dates: 12.05.2011, 06.08.2011, 10.11.2011 and 09.02.2012. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr. Harish Sabarwal Chairman	Non Executive Independent Director	4
Mr. Ravinder Kumar Jain*	Non Executive Independent Director	4
Mr. Nitin Jain	Promoter & Executive Director	4



\*Resigned from Board on 31 July, 2012

**4. INVESTORS' GRIEVANCE COMMITTEE**

- (i) The Company has constituted an "Investors' Grievance Committee" to look into redressal of Shareholder's / investors' complaints, to approve share transfer, share transmission etc and to oversee all matters connected with the Shareholders.
- (ii) **Composition:** Mr Sanjeev Juneja, a non-executive independent director was appointed as the Chairman of the Committee.

Name of the Director	Category	Designation
Mr. Sanjeev Juneja	Non Executive Independent	Chairman
Mr. Ravinder Kumar Jain*	Non Executive Independent	Member
Mr. Hari Om Bhatia**	Non Executive Independent	Member
Mr. Harish Sabarwal	Non Executive Independent	Member

\*Resigned from Board on 31 July, 2012

\*\*Appointed on 31 July, 2012

The committee met Four (4) times during the year on 30.05.2011, 16.08.2011, 18.11.2011, 12.03.2012.

(iii) Mr Nitin Jain is the Compliance Officer of the Company for the purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.

(iv) During the year, the Company didn't received any complaints from the shareholders.

**5. GENERAL BODY MEETINGS**

A). **Annual General Meetings** : Particulars of last Annual General Meeting of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) Passed
2011	29-11-2011	Orion Lawns, Andherian More Mehrauli Road, New Delhi	10:00 A.M	Nil
2010	30-09-2010	Orion Lawns, Andherian More Mehrauli Road, New Delhi	10:00 A.M	Nil
2009	28-09-2009	Orion Lawns, Andherian More Mehrauli Road, New Delhi	10:00 A.M	Nil

**6. DISCLOSURES**

**(a) Related Party Transactions**

There are no materially significant related party transactions with its Promoters, the Directors or the Management, Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large.

**(b) Non compliance by the Company, Penalties, Structures**

There were no instances of non-compliance by the Company, penalties, structures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**(c) Non mandatory requirements**

The Company proposes to adopt the non-mandatory requirements including adoption of Whistle Blower Policy given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

**7. CODE OF CONDUCT**

The Board has formulated a code of conduct for the Board members and senior management of the Company. All Board members and senior management personnel have affirmed their compliance with the code.

**Declaration on compliance with code of conduct by the Chairman :**

The Board has formulated a code of conduct for the Board members and senior management of the Company, which has been posted on the email id- iwl@unf.in.

It is hereby affirmed that all the Directors and senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

Sd/

Nitin Jain

Managing Director

**i) Listing on Stock Exchanges :** The Shares of the Company are listed on the Delhi Stock Exchange. As the Company's shares are hardly traded, the stock market data, pertaining to Monthly High and Low prices of Equity shares of the Company, during the previous financial year are not available.

- |      |                              |  |
|------|------------------------------|--|
| ii)  | <b>Dates of Book Closure</b> | 14 <sup>th</sup> September, 2012 to<br>20 <sup>th</sup> September, 2012<br>(Both days inclusive) |
| iii) | <b>Dividend Payment Date</b> | Not applicable   |
| iv)  | <b>Share Transfer System</b> |  |

In compliance with the Listing Guidelines, the Share Transfer System of the Company is regularly audited. M/s RCMC Share Registry Pvt Ltd, its Registrar and Share Transfer Agent carries out the process of share transfer in physical as well as in demat form.

Particulars	RCMC Share Registry Pvt. Ltd.
Contact Person	Rakesh Adhana
Address	RCMS Share Registry Pvt. Ltd., B-106, Sector-2, Noida-201 301, U.P.
Telephone No.	95-120-4015880
Fax No.	95-120-2444346
E-mail :	sectshares@rcmcdelhi.com

v) Distribution of Shareholding as on 30<sup>th</sup> June 2012 :

Shareholding of Nominal Value of		Share holders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Up to 5,000		1018	55.18	2644130.00	8.39
5,001	10,000	440	23.85	3277990.00	10.41
10,001	20,000	282	15.28	3539870.00	11.24
20,001	30,000	22	1.19	556000.00	1.77
30,001	40,000	43	2.33	1462000.00	4.64
40,001	50,000	4	0.22	193000.00	0.61
50,001	1,00,000	20	1.08	1300000.00	4.13
1,00,001 and Above		16	0.87	18527010.00	58.82
Total		1845	100	31500000	100

- vi) **Dematerialization of shares and liquidity:** Few shares are in physical form. The company is planning to dematerialize the shares.
- vii) There are no outstanding GDRs/ ADRs/ Warrants or any Convertible other Instruments as on the date.
- viii) **Plant Locations: N.A.**
- ix) **Address for Correspondence:** The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:  
 RCMC Share Registry Pvt Ltd  
 B-106, Sector 2  
 Noida 201 301, U.P.

**Certification**

I, Nitin Jain, Managing Director responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2012 and that to the best of our 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) To the best of our 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 they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they 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 in the notes to the financial statements; and
  - (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.

<b>Date : 13th August, 2012</b>		<b>Sd/- NitnJain Managing Director</b>
<b>Place : New Delhi</b>		

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Indo Websec Ltd

We have examined the compliance of conditions of Corporate Governance by Indo Websec Ltd, for the year ended on 31<sup>st</sup> March, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations 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 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.

We have to state that, no investor grievance is pending for a period exceeding one month against the Company as per the information furnished by the Company's Registrars, other than those which are a subject matter of litigation.

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

**Jinu Jain  
Company Secretaries**

**Sd/-  
Jinu Jain  
ACS: 22076; CP: 10379**

**Date: 13<sup>th</sup> August, 2012  
Place: Delhi**

**IMPORTANT MESSAGE FROM CHAIRMAN**

Dear shareholder

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular no 17/2011 dated 21.04.2011 and circular no 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents, including annual report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute to the corporate Social Responsibility initiative of the Company.

We thereby request all the shareholders to register their e-mail ids with Company at [iwl@unf.in](mailto:iwl@unf.in)

Lets be part of this "Green Initiative"

<p><b>Date : 13th August, 2012</b></p>		<p><b>Sd/- Narendar Nath Jain Chairman</b></p>
--	--	--

**AUDITOR'S REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of **INDO WEBSEC LIMITED, 21-A, COMMERCIAL COMPLEX, SAVITRI BHAVAN, MUKHERJEE NAGAR, NEW DELHI-110009** as at 31<sup>st</sup> March 2012 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed there to. 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.

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.

1. As required by the Companies (Auditor's report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we state 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 appears from our examination of the books.
  - c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
  - d) In our opinion, the profit and loss account and balance sheet comply with requirements of the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of our information and explanations given to us, and representation obtained by the company, there are no Directors of the company who as on March 31, 2012 are disqualified under section 274(I)(g) of the Act, from being appointed as directors.
  - f) Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and Cash Flow Statement read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup>. March, 2012 and
    - ii) In the case of the Profit & Loss Account of the loss of the Company 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 P. Aggarwal & Associates**  
**Chartered Accountants (FRN: 03086N)**

**Sd/-**  
**(Pradeep Aggarwal)**  
**Partner**  
**M. No: 081984**

**Place: New Delhi**  
**Date: August 13, 2012**

**ANNEXURE TO THE AUDITOR'S REPORT  
INDO WEBSEC LIMITED (2011-12)**

**REFERRED TO IN PARAGRAPH – 1 OF OUR REPORT OF EVEN DATE**

1.
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The management during the year has physically verified the fixed assets. As explained to us no discrepancies were noticed on such verification.
  - c. No fixed assets have been disposed off during the year.
2. The Company does not have any stock of raw materials, stores, spare parts, finished goods and therefore clause 2 (a), (b), (c) of the Order are not applicable.
3. The Company has not granted any loans, secured or unsecured to Companies, firms or any other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore clause 3 (a), (b), (c) & (d) of the order are not applicable. The Company has not taken any loans, secured or unsecured from Companies, firms or any other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore clause 3 (e), (f) & (g) of the order are not applicable.
4. 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, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, there is no continuing failure to correct major weaknesses in internal control system.
5.
  - i) As per our prima facie examination of the register maintained under section 301 of the Act, we are of the opinion that the transactions that need to be entered in the register in pursuance of Section 301 of the Act have been so entered.
  - ii) In our opinion, each of these transactions has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of the provision of Section 58A and 58AA of the Act.
7. The Company has an internal audit system by its own staff, which in our opinion is commensurate with the size and nature of its business.
8. Maintenance of cost records have not been prescribed by the Central Government for the Company under Section 209(1) (d) of the Companies Act, 1956.
9.
  - a. According to the information and explanations given to us by the Management and on the basis of the examination of the books of account carried out by us, the Company has been regular in depositing undisputed statutory dues including Income Tax, with the appropriate authorities, However Provident Fund, Investor Education and Protection Fund, Employees State Insurance and Sales Tax are not applicable to the company during the year. There were no undisputed arrears of statutory dues outstanding as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable. However, the Company has not made any provisions towards cess payable u/s 441A of the Companies Act, 1956, since the required notification has not been issued by the Central Government in this regard.

- b. According to the information and explanations given to us by the management and the records of the company examined by us there were no statutory dues which have not been deposited as at 31st March 2012 on account of dispute.
10. The accumulated losses of the company as at 31st March 2012 are less than 50% of its net worth. The company has incurred cash loss amounting to Rs. 30, 08,258.00 during the year and Rs. 29, 55,138.00 during the immediately preceding financial year.
11. As per the books and records of the company has not taken any Loans from financial institution or bank.
12. As per the books and records of the company examined by us the company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. Clause 13 of the order is not applicable as the company is not a Chit Fund Company or Nidhi / Mutual Benefit Fund / Society.
14. In our opinion the company has maintained proper records of transactions and contracts in respect of dealing and trading shares, securities, debentures and other investments during the year and timely entries have been generally made there in. Shares, debentures and other investments have been held by the company in its own name.
15. As per the books and records of the company examined by us the company has not given any guarantee for loan taken by others.
16. As per the books and records of the company examined by us the company has not taken any term loans.
17. According to the information and explanations given to us and on 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 assets. No long-term funds have been used to finance short-term assets.
18. The company has not made any preferential allotment of shares during the year and therefore, paragraph 4 (18) of the Order is not applicable.
19. The company has not issued any debentures during the year and therefore paragraph 4(19) of the Order is not applicable.
20. The Company has not raised any money by way of public issue during the year and therefore paragraph 4(20) of the order is not applicable.
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 the audit.

**For P. Aggarwal & Associates**  
**Chartered Accountants (FRN: 03086N)**

**Sd/-**  
**(Pradeep Aggarwal)**  
**Partner**  
**M. No. 081984**

**Place : New Delhi**  
**Date : 13th August, 2012**



# INDO WEBSEC LIMITED

Annual Report 2011 - 2012

Indo Websec Limited  
21-A, III Floor Mukherjee Nagar, Commercial Complex, Delhi-110009

Balance Sheet as at 31 March, 2012

Particulars		Note No.	As at 31 March 2012 Rs.	As at 31 March 2011 Rs.
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds			
	(a) Share capital	1	30,073,000.00	30,072,320.00
	(b) Reserves and surplus	2	(4,535,974.00)	(2,474,683.00)
	sub total		25,537,026.00	27,597,637.00
2	Current liabilities			
	(a) Other current liabilities	3	163,340.00	176,465.00
	sub total		163,340.00	176,465.00
	<b>TOTAL(1+2)</b>		<b>25,700,366.00</b>	<b>27,774,102.00</b>
<b>B</b>	<b>ASSETS</b>			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets			
	Gross block	4a	886,179.00	886,179.00
	Less: Accumulated Depreciation	4b	813,427.00	768,391.00
	Net Block		72,752.00	117,788.00
	(b) Non-current investments	5	8,845,835.00	8,845,835.00
	(c) Deferred tax assets (net)	6	4,362,387.00	3,364,732.00
	(d) Long-term loans and advances	7	16,500.00	16,500.00
	sub total		13,224,722.00	12,227,067.00
2	Current assets			
	(a) Inventories	8	10,861,355.00	13,452,228.00
	(b) Cash and cash equivalents	9	1,725,941.00	1,916,247.00
	(c) Short-term loans and advances	10	15,596.00	56,702.00
	(d) Other current assets	11	-	4,070.00
	sub total		12,402,892.00	15,429,247.00
	<b>TOTAL</b>		<b>25,700,366.00</b>	<b>27,774,102.00</b>
	See accompanying notes forming part of the financial statements			

In terms of our report attached  
For P. Aggarwal & Associates  
Chartered Accountants FRN - 03086N

Sd/-  
Pradeep Aggarwal  
Partner  
M.No. 081984

Place : New Delhi  
Date : August 13, 2012

For and on behalf of the Board of Directors

Sd/-  
Managing Director

Sd/-  
Director

Indo Websec Limited  
21-A, III Floor Mukherjee Nagar, Commercial Complex, Delhi-110009

Statement of Profit and Loss for the year ended 31 March, 2012

	Particulars	Note No.	For the year ended 31 March 2012 Rs.	For the year ended 31 March 2011 Rs.	
1	Revenue from operations	12	1,359,248.00	26,306,756.00	
			1,359,248.00	26,306,756.00	
2	Other income	13	193,835.00	244,055.00	
3	<b>Total revenue (1+2)</b>		<b>1,553,083.00</b>	<b>26,550,811.00</b>	
4	<b>Expenses</b>				
	(a) Purchases of stock-in-trade	14a	410,141.00	24,039,425.00	
	(b) Changes in inventories of stock-in-trade	14b	2,790,873.00	3,958,239.00	
	(c) Employee benefits expense	15	1,004,387.00	836,750.00	
	(d) Finance costs	16	1,531.00	1,948.00	
	(e) Depreciation and amortisation expense	4b	45,036.00	45,036.00	
	(f) Other expenses	17	354,409.00	669,587.00	
	<b>Total expenses</b>		<b>4,606,377.00</b>	<b>29,550,985.00</b>	
5	<b>Profit/(Loss) before exceptional and extraordinary items and tax (3-4)</b>		<b>-3,053,294.00</b>	<b>-3,000,174.00</b>	
6	Exceptional items		-	-	
7	<b>Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		<b>(3,053,294.00)</b>	<b>(3,000,174.00)</b>	
8	Extraordinary items		-	-	
9	<b>Profit / (Loss) before tax (7 + 8)</b>		<b>(3,053,294.00)</b>	<b>(3,000,174.00)</b>	
10	<b>Tax expense:</b>				
	(a) Current tax expense for current year		-	-	
	(b) (Less): MAT credit (where applicable)		-	-	
	(c) Current tax expense relating to prior years		-	-	
	(d) Net current tax expense		-	-	
	(e) Deferred tax		-897,655.00	-946,242.00	
11	<b>Income Tax adjustment of earlier years</b>		<b>-897,655.00</b>	<b>-946,242.00</b>	
12	<b>Profit / (Loss) from operations (9 +10-11)</b>		<b>5,652.00</b>	<b>-5,367.00</b>	
13	<b>Profit / (Loss) for the year (12)</b>		<b>(2,061,291.00)</b>	<b>(2,048,565.00)</b>	
14.i	<b>Earnings per share (of Rs. 10/- each):</b>				
	(a) Basic		-0.65	-0.65	
	(i) Continuing operations		-0.65	-0.65	
	(b) Diluted		-0.65	-0.65	
	(i) Continuing operations		-0.65	-0.65	
14.ii	<b>Earnings per share (excluding extraordinary items) (of Rs. 10/- each):</b>				
	(a) Basic		-0.65	-0.65	
	(i) Continuing operations		-0.65	-0.65	
	(b) Diluted		-0.65	-0.65	
	(i) Continuing operations		-0.65	-0.65	
	<b>See accompanying notes forming part of the financial statements</b>				
In terms of our report attached For P. Aggarwal & Associates Chartered Accountants FRN - 03086N Sd/- Pradeep Aggarwal Partner M.No. 081984 Place : New Delhi Date : August 13, 2012		For and on behalf of the Board of Directors Sd/- Managing Director			Sd/- Director

Indo Websec Limited  
21-A, III Floor Mukherjee Nagar, Commercial Complex, Delhi-110009

Note 1 Share Capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares	Amount	Number of Shares	Amount
(a) Authorised Equity shares of Rs.10 each with voting rights	4000000	40,000,000.00	4000000	40,000,000.00
(b) Issued Equity shares of Rs.10 each with voting rights	3150000	31,500,000.00	3150000	31,500,000.00
(c) Subscribed and fully paid up Equity shares of Rs.10 each with voting rights	3150000	31,500,000.00	3150000	31,500,000.00
(d) Subscribed but not fully paid up	-	-	-	-
(e) Par Value per Share	-	10.00	-	10.00
(f) Allotment money in arrears -By Directors -By Others	-	-	-	-
		1,427,000.00		1,427,680.00
		1,427,000.00		1,427,680.00
<b>Total</b>	-	<b>30,073,000.00</b>	-	<b>30,072,320.00</b>

Note 1 Share Capital (contd.)

1a. Share capital reconciliation

Particulars	Particulars			
	Opening Balance	Addition during the year	Deletion during the year	Closing Balance
<b>Issued Capital</b>				
Equity shares with voting rights				
Year ended 31 March, 2012				
- Number of shares	3150000	-	-	3150000
- Amount (Rs.)	31,500,000.00	-	-	31,500,000.00
Year ended 31 March, 2011				
- Number of shares	3150000	-	-	3150000
- Amount (Rs.)	31,500,000.00	-	-	31,500,000.00
<b>Subscribed and fully paid up</b>				
Equity shares with voting rights				
Year ended 31 March, 2012				
- Number of shares	3150000	-	-	3150000
- Amount (Rs.)	31,500,000.00	-	-	31,500,000.00
Year ended 31 March, 2011				
- Number of shares	3150000	-	-	3150000
- Amount (Rs.)	31,500,000.00	-	-	31,500,000.00

Note 1 Share Capital (contd.)

Class of shares / Name of shareholder	Particulars			
	(i) Details of shares held by each shareholder holding more than 5% shares :			
	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares held	% holding in the class of shares	Number of Shares held	% holding in the class of shares
Equity Shares with voting rights				
Nitin Jain	797300	25.31%	797300	25.31%
Narender Nath Jain	550601	17.48%	550601	17.48%

Indo Websec Limited  
21-A, III Floor Mukherjee Nagar, Commercial Complex, Delhi-110009

**Note 2 Reserves and Surplus**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
Surplus-Opening balance	(2,474,683.00)	( 426,118.00)
Add: Net Profit after tax transferred from Statement of Profit & Loss Account	( 2,061,291.00)	( 2,048,565.00)
Amount available for Appropriation	( 4,535,974.00)	( 2,474,683.00)
Less: Appropriations /transfers made during the year	-	-
Surplus-Closing balance	(4,535,974.00)	(2,474,683.00)

**Note 3 Other current liabilities**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Other payable		
(i) TDA Payable	5,468.00	6,310.00
(ii) Unpresented Cheques	45,221.00	63,016.00
(iii) Other Liabilities	112,651.00	107,139.00
<b>Total</b>	<b>163,340.00</b>	<b>176,465.00</b>

Note 4a Fixed Assets

Tangible assets	Gross Block				
	Gross Block as at 1 April, 2011 Rs.	Additions Rs.	Disposals Rs.	Other Adjustments Rs.	Gross Block as at 31 March, 2012 Rs.
(a) Computers	388,987.00	-	-	-	388,987.00
(b) Partition & Fixtures	517,212.00	-	-	-	517,212.00
Total	886,179.00	-	-	-	886,179.00
Previous year	886,179.00	-	-	-	886,179.00

Gross value of assets (computers) fully depreciated 293,112.00

Note 4b Accumulated depreciation and Net Block

Tangible assets	Accumulated depreciation and Impairment					Net Block	
	Provision as at 1 April, 2011 Rs.	Depreciation / Amortisation expense for the year Rs.	Eliminated on disposal of assets Rs.	Other Adjustments Rs.	Total as at 31 March, 2012 Rs.	Balance as at 31 March, 2012 Rs.	Balance as at 31 March, 2011 Rs.
(a) Computers	313,378.00	12,286.00	-	-	325,674.00	43,293.00	55,589.00
(b) Partition & Fixtures	458,013.00	32,740.00	-	-	487,753.00	29,459.00	62,199.00
Total	788,391.00	45,036.00	-	-	813,427.00	72,752.00	117,788.00
Previous year	723,355.00	45,036.00	-	-	788,391.00	117,788.00	162,824.00

**INDO WEBSEC LIMITED**

Annual Report 2011 - 2012

INDO WEBSEC LIMITED

ANNEXURE 'I'

**SCHEDULE OF FIXED ASSETS UNDER INCOME TAX ACT 1961 AS ON 31st MARCH 2012**

PARTICULARS	W.D.V as on 1.4.2011		Additions more than 180 days		less than 180		Sales	Total	Rate	Depreciation	W.D.V as on 31.3.2012
	Computer	Partition & Fixtures									
	12,865.88	105,633.36	-	-	-	-	-	12,865.88	60%	7,719.53	5,146.35
								105,633.36	10%	10,563.34	95,070.02
								118,499.24		18,282.86	100,216.38
Previous Year (Rs.)	149,535.10							149,535.10		31,035.86	118,499.24

**COMPUTATION OF DEFERRED TAX**

W.D.V of Fixed Assets as per Companies Act	72,752.00
W.D.V of Fixed Assets as per Income Tax Act	100,216.38
Difference	27,464.38
Unabsorbed Depreciation	1,082,705.86
Unabsorbed Business Loss	13,027,590.14
Deferred Tax Asset @ 30.90% as on	14,117,760.38
Deferred Tax Asset as on	31,03,2012 4,362,388.00
	31,03,2011 3,364,792.00
Difference credited in P & L a/c	997,656.00

A. Y.	Unabsorbed Depreciation Business Loss	Short Term Capital Loss	Long Term Capital Loss	Speculation loss
1996-97	76,390.00	-	-	-
1997-98	1,07,400.00	-	-	-
1998-99	92,370.00	-	-	-
1999-00	1,25,216.00	-	-	-
2000-01	5,05,428.00	-	-	-
2001-02	-	-	-	-
2002-03	42,571.00	2,54,084.00	1,16,242.00	-
2003-04	49,507.00	-	-	-
2004-05	14,505.00	363,493.00	-	-
2005-06	-	-	-	-
2006-07	-	-	-	-
2007-08	-	-	-	-
2008-09	-	-	-	-
2009-10	-	-	-	-
2010-11	31,038.00	3,017,255.00	-	12,244.00
2011-12	18,282.86	3,183,677.14	-	3,831.00
2012-13	1,062,705.86	6,17,577.00	1,16,242.00	88,585.00
Total	1,044,423.00	14,194,936.00	1,16,242.00	1,04,640.00

Indo Websec Limited  
21-A, III Floor Mukherjee Nagar, Commercial Complex, Delhi-110009

Note 5 Non-current investments

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Total Rs.	Total Rs.
<b>Investments (At cost):</b>		
A. <u>Trade Investments</u>	-	-
B. <u>Non Trade Investments-Quoted</u>		
(a) Investment in equity instruments -		
(i) of other entities		
-2500 shares of Rs10 each in Oswal Chemicals Limited	45,500.00	45,500.00
-76000 shares of Rs. 10 each in Paramount Communication Ltd.	3,982,427.00	3,982,427.00
-175157 shares of Rs. 10 each in Cosco (India) Ltd.	4,817,908.00	4,817,908.00
	<b>8,845,835.00</b>	<b>8,845,835.00</b>
<b>Total (A+B)</b>	<b>8,845,835.00</b>	<b>8,845,835.00</b>
Less: Provision for diminution in value of investments	-	-
<b>Total</b>	<b>8,845,835.00</b>	<b>8,845,835.00</b>
Aggregate amount of quoted investments	8,845,835.00	8,845,835.00
Aggregate market value of listed and quoted investments	7,633,869.00	10,103,216.00
Aggregate value of listed but not quoted investments	-	-
Aggregate amount of unquoted investments	-	-

Note 6 Deferred Tax Asset

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
<b>Deferred Tax Asset</b>		
Difference between book balance and tax balance of fixed assets	8,486.00	220.00
Unabsorbed depreciation carried forward	328,376.00	322,726.00
Unabsorbed business losses	4,025,525.00	304,178.00
Tax effect of items constituting deferred tax assets	<b>4,362,387.00</b>	<b>3,364,732.00</b>
<b>Deferred Tax Liability</b>	-	-
<b>Net Deferred Tax Asset</b>	<b>4,362,387.00</b>	<b>3,364,732.00</b>

Indo Websec Limited  
21-A, III Floor Mukherjee Nagar, Commercial Complex, Delhi-110009

**Note 7 Long-term loans and advance**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Security deposits		
Secured, considered good	-	-
Unsecured, considered good	16,500.00	16,500.00
Doubtful	-	-
Less: Provision for doubtful deposits	16,500.00	16,500.00
<b>Total</b>	<b>16,500.00</b>	<b>16,500.00</b>

**Note 8 Inventories**  
(At lower of cost and net realisable value)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Stock-in-trade	10,661,355.00	13,452,228.00
<b>Total</b>	<b>10,661,355.00</b>	<b>13,452,228.00</b>

**Note 9 Cash and cash Equivalents**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Balances with bank		
(i) In current accounts	1,721,626.00	1,892,200.00
(b) Cash on hand	4,315.00	24,047.00
(c) Others	-	-
<b>Total</b>	<b>1,725,941.00</b>	<b>1,916,247.00</b>

**Note 10 Short-term loans and advances**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	-	38,050.00
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	38,050.00
	-	-
(b) Loans and advances to employees		
Secured, considered good	-	38,050.00
Unsecured, considered good	6,000.00	13,000.00
Doubtful	-	-
Less: Provision for doubtful loans and advances	6,000.00	13,000.00
	6,000.00	13,000.00
(c) Prepaid expenses - Unsecured, considered good	7,500.00	-
(d) Others		
Secured, considered good	-	-
Unsecured, considered good	2,096.00	5,652.00
Doubtful	-	-
Less: Provision for other doubtful loans and advances	2,096.00	5,652.00
	2,096.00	5,652.00
<b>Total</b>	<b>15,596.00</b>	<b>56,702.00</b>



Indo Websec Limited  
21-A, III Floor Mukherjee Nagar, Commercial Complex, Delhi-110009

Note 10 Short terms loans and advances (contd.)

Particulars		
Note : Short terms loans and advances include amounts due from :		
Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
Directors *	-	38,050.00
Other officers of the Company*	-	-
Firms in which any director is a partner (give details per firm)	-	-
Private companies in which any directors is a director or member (give details per company)	-	-
<b>Total</b>	-	<b>38,050.00</b>

Note 11 Other current assets

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
(a) Accruals		
(i) Interest accrued on deposits		4,070.00
<b>Total</b>	-	<b>4,070.00</b>

Note 12 Revenue from operations

Particulars		For the year ended	For the year ended
		31 March, 2012	As at 31 March, 2011
		Rs.	Rs.
(i)	Sale of shares	1,359,248.00	26,306,756.00
	<b>Total</b>	<b>1,359,248.00</b>	<b>26,306,756.00</b>
(ii)	Other operating revenues	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note 13 Other Income

Particulars		For the year ended	For the year ended
		31 March, 2012	As at 31 March, 2011
		Rs.	Rs.
(a)	Interest Income		
	Interest from banks on : Deposits	18,482.00	41,372.00
(b)	Dividend Income :		
	Others	175,353.00	202,683.00
	<b>Total</b>	<b>193,835.00</b>	<b>244,055.00</b>

Indo Websec Limited  
21-A, III Floor Mukherjee Nagar, Commercial Complex, Delhi-110009

Note 14.a Purchase of traded goods

Particulars	For the year ended 31 March, 2012	For the year ended As at 31 March, 2011
	Rs.	Rs.
Purchase of Shares	410,141.00	24,039,425.00
<b>Total</b>	<b>410,141.00</b>	<b>24,039,425.00</b>

Note 14.b Changes in inventories of stock-in-trade

Particulars	For the year ended 31 March, 2012	For the year ended As at 31 March, 2011
	Rs.	Rs.
<u>Inventories at the end of the year :</u>		
Stock-in-trade	10,661,355.00	13,452,228.00
<u>Inventories at the beginning of the year :</u>		
Stock-in-trade	13,452,228.00	17,410,467.00
	13,452,228.00	17,410,467.00
<b>Net (Increase) / decrease</b>	<b>2,790,873.00</b>	<b>3,958,239.00</b>

Note 15 Employee benefits expense

Particulars	For the year ended 31 March, 2012	For the year ended As at 31 March, 2011
	Rs.	Rs.
Salaries and wages	1,004,387.00	836,750.00
<b>Total</b>	<b>1,004,387.00</b>	<b>836,750.00</b>

Note 16 Finance costs

Particulars	For the year ended 31 March, 2012	For the year ended As at 31 March, 2011
	Rs.	Rs.
(a) Interest expense on :		
(i) Others		
- Bank Charges and interest	1,531.00	1,948.00
<b>Total</b>	<b>1,531.00</b>	<b>1,948.00</b>

Note 17 Other Expenses

Particulars	For the year ended 31 March, 2012	For the year ended As at 31 March, 2011
	Rs.	Rs.
Rent including lease rentals	99,270.00	90,000.00
Rates and taxes	2,360.00	70,104.00
Communication	13,323.00	63,723.00
Travelling and conveyance	43,489.00	106,698.00
Printing and stationery	13,378.00	10,873.00
Legal and professional	51,484.00	33,696.00
Payments to auditors (Refer Note (f) below)	52,845.00	46,386.00
Prior Period expenses	680.00	-
Net loss on sale of investments	-	-
from current investments	-	-
from long-term investments	-	52,000.00
Miscellaneous expenses	77,580.00	196,105.00
<b>Net (increase) / decrease</b>	<b>3 54,409.00</b>	<b>6 69,585.00</b>

Notes :

Particulars	For the year ended 31 March, 2012	For the year ended As at 31 March, 2011
	Rs.	Rs.
(f) Payments to the auditors comprises (net of service tax input credit, where applicable) :		
As auditors - statutory audit	44,944.00	44,120.00
For management services	7,901.00	2,266.00
<b>Total</b>	<b>52,845.00</b>	<b>46,386.00</b>

**INDO WEBSEC LIMITED (2011-12)**

**21-A, COMMERCIAL COMPLEX, SAVITRI BHAVAN, MUKERJEE NAGAR, NEW DELHI-9**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(A) SIGNIFICANT ACCOUNTING POLICIES**

**1. ACCOUNTING CONVENTION**

The accounts have been prepared under the historical cost convention.

**2. FIXED ASSETS AND DEPRECIATION**

Fixed Assets are recorded in the books of accounts at their original cost of acquisition. Depreciation on Fixed Assets is provided on Straight – Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

**3. INVESTMENT**

- (a) Shares are accounted under investment on trade dates.
- (b) Rights entitlement is accounted as Investment/ Stock-in-trade at issue price plus Acquisition cost, if any.
- (c) The cost of Investment/ stock-in-trade includes brokerage and Stamp Duty.

**4. VALUATION OF INVESTMENT/STOCK IN TRADE**

- a) Long Term investments are stated at cost.
- (b) Valuation of Stock-in-trade- Stocks is valued at cost or market price which ever less as at 31st March every year is.
- (c) .Stock in trade and investments are certified by the company as to the market value.

**5. INCOME**

- (a) Profit or Loss from Stock-in-trade are recognized on trade dates on `First in First out basis.
- (b) Interest on allotment money received is accounted for on receipt basis.

**6. TAXATION**

Provision for taxation is made as per provision of Income Tax Act, 1961.  
Provision of deferred tax as per AS-22 has been made.

**7. CASH AND CASH EQUIVALENT (for the purpose of Cash Flow)**

Cash and cash equivalent comprises of cash on hand and balances with banks in current account

**8. CASH FLOW STATEMENT**

Cash flows are reported using indirect method, whereby profits/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

**9. OPERATING CYCLE**

For the classification of assets and liabilities into current and non-current the operating cycle has been taken as 12 months.

**(B) NOTES TO THE ACCOUNTS**

1. No provision for Gratuity and Leave Encashment on Retirement has been made.
2. In the opinion of the Board of Directors of the company value of Current Assets and Loans & Advances shall not be less than the value at which these are stated in the Balance sheet if realized in the ordinary course of business.
3. Foreign Exchange earnings and outgo – NIL

4. Auditors Remuneration:

	Current Year	Previous Year
Audit fees:	Rs. 44,944/-	Rs. 44,120/-

5. Payments made to Directors

	Current Year	Previous Year
Remuneration	Rs. 4, 80,000/-	Rs. 3, 17,500/-

6. The amount of Rs. 14, 27,000/- shown as Allotment money in arrears in the Balance Sheet represents the amount appearing in the books of account of the Company arrived upon the basis of advises for collection received from the Company's Bankers.

7. Additional information:

(a) Opening and Closing Stock of Shares

	No. of Shares	Value (Rs.)
Opening Stock	582283	1, 34, 52,227.93
Closing Stock	567939	1, 0661,354.91

b) Purchases and Sale of Shares

<u>Purchases</u>		<u>Sales</u>	
<u>Qty</u>	<u>Value (Rs.)</u>	<u>Qty</u>	<u>Value (Rs.)</u>
16150	4,10,141.35	31594	13,59,247.70

8. Earnings per share (EPS) (BASIC & DILUTED) as follows

Basic:	Rs. (0.65)	[Previous Year Rs.(0.65)]
Diluted:	Rs. (0.65)	[Previous Year Rs. (0.65)]

The above calculation is based on following figures:-

Profit/ (Loss) after tax: Rs.( 20,55,639.00)

Weighted average Equity shares for the purposed of calculating Basic EPS: 3150000 Previous Year 3150000)

(Paid-up share capital)

Weighted average Equity shares for the purpose of calculating Diluted EPS: 3150000(Previous Year 3150000)

9.

(a) As per Accounting Standard – 22 Accounting for taxes on income issued by ICAI, The Company has recognised the cumulative Deferred Tax Asset as at 31.03.2012 of Rs. 43,62,387.00. Deferred Tax of Rs. 9,97,655.00 has been credited to Profit and Loss Account during the year.

(b) Deferred Tax Assets in respect of unabsorbed depreciation and business loss has been recognised as these would be available as set off in future years.

(c) The major components of Deferred Tax Asset to the extent recognized is as under:

WDV of Fixed Asset as per Companies Act	Rs	72752.00
WDV of Fixed Asset as per Income Tax Act	Rs	<u>100216.00</u>
Difference	Rs	27464.00
Unabsorbed Depreciation	Rs	1062706.00
Unabsorbed Business Loss	Rs	<u>13027590.00</u>
	Rs	<u>14116250.00</u>
Deferred Tax Assets @ 30.9% as on 31.03.2012	Rs	4362387.00
Deferred Tax Assets as on 31.03.2011	Rs	<u>3364732.00</u>
Difference credited to P&L/A/C	Rs	<u>9,97,655.00</u>

10. Previous year figures have been regrouped or rearranged to make them comparable with the figures of the current year.

For and behalf of the Board

Place: New Delhi  
Date: August 13, 2012

Sd/-  
Managing Director

Sd/-  
Director

**INDO WEBSEC LIMITED**  
Cash Flow Statement for the year ended 31 March, 2012

Particulars	For the year Rs.	For the year ended Rs.
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	-3,053,294.00	-3,000,174.00
<i>Adjustments for:</i>		
Depreciation and amortisation	45,036.00	45,036.00
Finance costs		
Interest income	-18,482.00	-41,372.42
Dividend income	-175,353.00	-202,683.00
Net (gain) / loss on sale of investments	—	52,000.00
Prior period Expenses	680.00	—
Amount W/o		10,000.00
Net unrealised exchange (gain) / loss		
Operating profit / (loss) before working capital changes	-3,201,413.00	-3,137,193.42
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	2,790,873.00	3,958,239.00
Short-term loans and advances	35,453.53	302,288.00
Other current assets	4,070.00	12,357.00
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other current liabilities	-13,125.00	-1,438,075.00
Cash generated from operations	-384,141.47	-302,384.42
Net Income tax (paid) / refunds	—	—
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>-384,141.47</b>	<b>-302,384.42</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from sale of long-term investments		
- Others		177,296.00
Interest received		
- Others	18,482.00	41,372.00
Dividend received		
- Others	175,353.00	202,683.00
Cash flow from extraordinary items	193,835.00	421,351.00
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>193,835.00</b>	<b>421,351.00</b>
<b>C. Cash flow from financing activities</b>		
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) financing activities (c)	-	-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	-190,306.47	118,966.58
Add: Cash and cash equivalents at the beginning of the year	1,916,247.00	1,797,279.00
Cash and cash equivalents at the end of the year	1,725,941.00	1,916,246.00
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per balance Sheet (Refer Note 19)	1725941.00	1916247.00
Less : Bank balances not considered as Cash and Cash equivalents as		
Net Cash and cash equivalents (as defined in AS 3 cash flow Statement)		
Add Current investments considered as part of Cash and cash equivalents	1725941.00	1916247.00
Cash and Cash equivalents at the end of the year*		
* Comprises:		
(a) Cash on hand	4315.00	24047.00
(b) Cheques, drafts on hand		
(c) Balance with bank		
(l) In current accounts	1721626	1892200
<b>See accompanying notes forming part of the financial statements</b>		

In terms of our report attached  
For P. Aggarwal & Associates  
Chartered Accountants FRN - 03086N  
Sd/-  
Pradeep Aggarwal  
Partner  
M.No. 081984

For and on behalf of the Board of Directors  
Sd/-  
Managing Director  
Sd/-  
Director

Place : New Delhi  
Date : August 13, 2012

**INDO WEBSEC LIMITED**

Registered Office : 21-A, 11<sup>th</sup> Floor, Commercial Complex, Mukherjee Nagar, Delhi-110 009

**PROXY FORM**

L/ F. No.

I / We ..... resident of .....  
..... being a Member/Members of Indo Websec Limited, hereby appoint

Mr./Miss/Mrs. .... resident of .....  
or failing him/her, Mr./Miss/Mrs. .... resident of .....

..... as my/our proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on Thursday, 20th September, 2012 and at any adjournment thereof.

Signed this ..... day of ..... 2012

(Signature of the Shareholder)

Affix  
1 Rupee  
Revenue  
Stamp

**Note :** The proxy form completed and stamped must reach the Registered Office of the Company not less than 48 hours before the time for holding aforesaid meeting.



**INDO WEBSEC LIMITED**

Registered Office : 21-A, 11th Floor, Commercial Complex, Mukherjee Nagar, Delhi-110 009

**ATTENDANCE SLIP**

I / We hereby record my/our presence at the Eighteenth Annual General of the Company held at the Mitraz Restaurant, F-14/7, Model Town Part-II, Delhi- 110 009

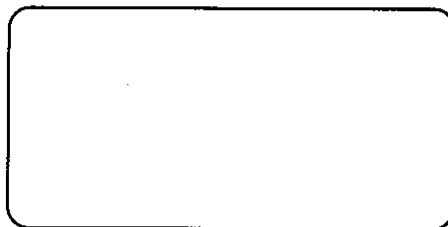
L / F. No.

Name	Father's/Husband's/Company Representative Name	Signature

- Note :**
1. The Proxy need not be a Member.
  2. The Proxy Form signed across 1 Rupee Revenue Stamp should reach the Company's Registered Office at least 48 hours before the schedule time of the meeting.
  3. Attendance Slip not filled in properly will not be entertained.
  4. A Member of his proxy is requested to produce at the entrance of the Meeting Hall, this Attendance Slip duly completed and signed by him in accordance with the specimen signature registered with the Company. Zerox copy/torn attendance slip will not be accepted at the entrance of the meeting hall.

BOOK - POST

To



*If Undelivered, please return to :*  
**INDO WEBSEC LIMITED**  
21-A, 3rd Floor, Savitri Bhawan,  
Commercial Complex, Mukherjee Nagar,  
New Delhi- 110 009