

**INDIAN INFOTECH  
&  
SOFTWARE LIMITED**

**28<sup>th</sup> Annual Report  
31<sup>st</sup> March, 2010**

- DIRECTORS** : K. L. MUNDRA, Managing Director  
(Expired on 16.06.2010)  
N. K. PAREEK  
G. K. JOSHI  
K. P. PATIL (Expired on 08.10.2009)  
R. M. KHANDELWAL  
SURENDRA R. RAO
- BANKERS** : AXIS BANK LTD.  
SIR P.M. ROAD BRANCH,  
FORT, MUMBAI
- AUDITORS** : M/S H. P. BIYANI & CO.  
CHARTERED ACCOUNTANTS  
MUMBAI
- REGISTERED &  
ADMINISTRATIVE OFFICE** : EMPIRE HOUSE, 3<sup>RD</sup> FLOOR,  
214, DR. D.N. ROAD,  
FORT, MUMBAI – 400 001.

**NOTICE**

**NOTICE** is hereby given that the **TWENTY-EIGHT ANNUAL GENERAL MEETING** of the Members of the Company will be held at the Registered office of the Company at Empire House, 3<sup>rd</sup> Floor, 214, Dr. D.N. Road, Fort, Mumbai – 400 001 on Wednesday, 29<sup>th</sup> September 2010 at 3.30 p.m. to transact the following business.

**AS ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31<sup>st</sup> March, 2010 and Balance Sheet as at that date, Cash Flow statement for the year ended 31<sup>st</sup> March, 2010 and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Surendra Rao, who retires by rotation under Article 104 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. To appoint M/s. Sarda Soni Associates, Chartered Accountants, as Statutory Auditors of the Company who will hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration (including out of pocket expenses) to be fixed by the Board of Directors of the Company in consultation with M/s. Sarda Soni Associates in place of M/s. H. P. Biyani & Co., Chartered Accountants, whose term as Statutory Auditor is upto the conclusion of this Annual General meeting and who have expressed their unwillingness to be reappointed as Statutory Auditors of the Company.

**NOTES :**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not later 48 hours before the meeting.
2. Members are requested to notify immediately any change in their addresses
3. Members desiring to submit mandates, to lodge transfer deed for shares are requested to forward the same so as to reach the Company's Registrars, M/s Sharex Dynamic (India) Pvt. Ltd., 17/B, Dena Bank Building, 2<sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai – 400 001 on or before 22<sup>nd</sup> September 2010. the Company will not be in a position to act upon any document, which is incomplete or received after 22<sup>nd</sup> September 2010
4. The Register of Members and the Share Transfer Book of the Company will remain closed from 22<sup>nd</sup> September, 2010 to 29<sup>th</sup> September, 2010 (both days inclusive).
5. The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchanges regarding the Directors who are proposed to be reappointed is given in the Corporate Governance Report.
6. Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.
7. Members are requested to send their queries to the Company, if any on Accounts at least 10 days before the Meeting.

**PLACE : MUMBAI**  
**DATE : JULY 30, 2010**

**FOR AND ON BEHALF OF THE BOARD**

**Sd/-**  
**N. K. PAREEK**  
**DIRECTOR**

**MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENTS**

India is a leading Country in development of Software which are used for different applications. Being a sunrise sector there is vast scope for computer education. The Company is providing consultancy services in these field. The management is exploring new areas of business opportunities to expand its business.

**OUTLOOK, OPPORTUNITIES AND THREATS**

The management looks with optimism about the growth in its business. There are no perceived threat to the business of the Company.

**RISK AND CONCERN**

There is no perceived risk and concern in this area of business and there is an ample scope for growth in India itself.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has introduced internal checks and controls system which is considered adequate.

**FINANCIAL PERFORMANCE**

During the year under Report the Company has earned an income of Rs. 3,13,394/- as against Rs. 13,28,122/- in the year ended 31<sup>st</sup> March 2009. The profit/(Loss) before tax was (Rs. 9,73,115/-) as against the profit of Rs. 25,117/- in the year ended 31<sup>st</sup> March, 2009. The net Profit/(Loss) after tax during the year was (Rs. 8,74,109/-) as against profit of Rs. 23,681/- in the year ended 31<sup>st</sup> March, 2009.

**CAUTIONARY STATEMENTS**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward - looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on this forward looking statements that speak only as of their dates.

**PLACE : MUMBAI  
DATE : JULY 30, 2010**

**FOR AND ON BEHALF OF THE BOARD**

**Sd/-  
N. K. PAREEK  
DIRECTOR**

**DIRECTORS' REPORT**

The Directors have pleasure in presenting their TWENTY-EIGHT ANNUAL REPORT on the business and operations of the Company for the year ended 31<sup>st</sup> March, 2010.

**1. FINANCIAL RESULTS :****(Rs. In Lacs)**

	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
Income from sales & Other Sources	3.13	13.28
Depreciation	0.42	0.67
Net Profit/ (Loss) before Taxation	(9.73)	0.25
Provision for Taxation	-	0.23
Excess Provision for Income Tax (written back)	-	-
Deferred Taxation Assets	(0.99)	(0.22)
Profit/ (Loss) after Taxation	(8.74)	0.24
Add: balance b/f from previous year	23.08	22.84
Balance carried to Balance Sheet	14.34	23.08

**2. DIVIDEND:**

Due to inadequate Profits the Board of Directors do not recommend any dividend for the year under review.

**3. DIRECTORS:**

Shri Surendra Rao, Director of the Company retires by rotation under Article 104 of Articles of Association of the Company but being eligible offers himself for re-appointment.

Shri. K. P. Patil, the Director of the Company expired on 08-10-2009. Shri. K. L. Mundra Managing director of the Company expired on 16-06-2010. The Board of Directors of the Company expresses their profound grief on said demise of Shri. K. P. Patil and Shri. K. L. Mundra, Directors of the Company and places on record their valuable services rendered to the Company.

The Board in its meeting held on 30<sup>th</sup> July, 2010 has appointed Shri. N. K. Pareek as CEO and Compliance Officer of the Company with effect from 16-06-2010 and his designation has also accordingly changed from Non-Executive Director to Executive Director.

**4. RECONSTITUTION OF AUDIT COMMITTEE :**

The Audit Committee was reconstituted on 30.10.2009. Shri. Surendra Rao was inducted as member of the Audit Committee in place of Shri. K. P. Patil, who expired on 08.10.2009. Shri. G. K. Joshi, member of the Audit Committee was appointed as Chairman.

The reconstituted Audit Committee will be as follows:

- |                          |          |
|--------------------------|----------|
| 1. Shri G. K. Joshi      | Chairman |
| 2. Shri R. M. Khandelwal | Member   |
| 3. Shri Surendra Rao     | Member   |

**5. RECONSTITUTION OF SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE:**

The Share Transfer & Shareholders/Investors' Grievance Committee was reconstituted on 30.10.2009. Shri. Surendra Rao was inducted as member of the Share Transfer & Shareholders/Investors' Grievance Committee in place of Shri. K. P. Patil due to his death on 08.10.2009. Shri. G. K. Joshi, member of the Share Transfer & Shareholders/Investors' Grievance Committee was appointed as Chairman.

The reconstituted Share Transfer & Shareholders/Investors' Grievance Committee will be as follows:

- |                          |          |
|--------------------------|----------|
| 1. Shri G. K. Joshi      | Chairman |
| 2. Shri R. M. Khandelwal | Member   |
| 3. Shri Surendra Rao     | Member   |

**6. OPERATIONS:**

During the year under Report the Company has earned an income of Rs. 3,13,394/- as against Rs. 13,28,122/- in the year ended 31<sup>st</sup> March 2009. The profit/(Loss) before tax was (Rs. 9,73,115/-) as against the profit of Rs. 25,117/- in the year ended 31<sup>st</sup> March, 2009. The net Profit/(Loss) after tax during the year was (Rs. 8,74,109/-) as against profit of Rs. 23,681/- in the year ended 31<sup>st</sup> March, 2009.

**7. REVOCAION OF SUSPENSION IN TRADING OF SHARES.**

The Directors are glad to inform that the Bombay Stock Exchange vide Notice No. 20100720 - 12 dated 20<sup>th</sup> July, 2010 has revoked the suspension in trading of equity shares of the company w.e.f. 26<sup>th</sup> July, 2010 and has allowed the resumption of trading in "B" group from the said date. The entire shareholding held by the promoters/ promoter group has been locked in for a period of 3 months.

**8. AUDITORS :**

There is no qualification or adverse comments in the Auditor's Report dated 30<sup>th</sup> July, 2010 issued by M/s. H. P. Biyani & Co., Chartered Accountants for the year ended 31<sup>st</sup> March, 2010.

M/s. H. P. Biyani & Co. Chartered Accountants have expressed their unwillingness to be reappointed as Statutory Auditor at the ensuing Annual General Meeting. The Board of Directors have received a letter from M/s. Sarda Soni Associates, Chartered Accountant expressing their willingness to act as Statutory Auditors of the Company, if appointed at the ensuing Annual General Meeting and have further informed that their appointment if made, will be, within the limit prescribed under section 224 (1B) of the Companies Act, 1956. Accordingly the notice of Annual General Meeting contains a resolution for appointment of M/s. Sarda Soni Associates, Chartered Accountants as Statutory Auditors to hold the office from the conclusion of the forthcoming Annual General Meeting to the next Annual General Meeting at a remuneration (including out of pocket expenses) to be fixed by the Board of Directors in consultation with them.

**9. DEPOSITS:**

During the year under report the company has neither invited nor accepted any public fixed deposits.

**10. PARTICULARS OF EMPLOYEES :**

The Company has no employees in the category specified under Section 217(2A) of the Companies Act, 1956.

**11. ADDITIONAL INFORMATION REQUIRED UNDER THE NON-BANKING FINANCIAL COMPANIES (RESERVE BANK) DIRECTIVES, 1998.**

The relevant provisions, for disclosure in the Director's Report, of Non-Banking Financial Companies (Reserve Bank) Directions, 1998 issued by the Reserve Bank of India are not applicable, as the Company is not holding any public deposits.

**12. DIRECTOR'S RESPONSIBILITY STATEMENT :**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, The Directors confirm that:

- a) in the presentation of the Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- b) the Directors had selected such Accounting policies and applied them consistently and 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 at the end of the financial year and of the profit or loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and,
- d) the Directors had prepared the Annual Accounts on a going concern basis.

PLACE : MUMBAI

DATE : JULY 30, 2010

FOR AND ON BEHALF OF THE BOARD

Sd/-  
N. K. PAREEK  
DIRECTOR

**ANNEXURE TO THE DIRECTOR'S REPORT**

Statements of Particulars under Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY	Not Applicable.
B. TECHNOLOGY ABSORPTION	Not Applicable.
C. FOREIGN EXCHANGE EARNING AND OUTGO	Rs. NIL

PLACE : MUMBAI

DATE : JULY 30, 2010

FOR AND ON BEHALF OF THE BOARD

Sd/-  
N. K. PAREEK  
DIRECTOR

**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance:**

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavours to review strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors present the Corporate Governance Report for the year 2009-10 based on the disclosure requirement under Clause 49 of the Listing Agreement existing as on 31<sup>st</sup> March 2010.

**2. Board of Directors:**

The board of directors was properly constituted as per clause 49I(A) of the Listing Agreement. During the year under report there were six directors upto 07-10-2009 and thereafter due to death of Shri. K. P. Patil on 08-10-2009 the strength of the board became Five. Shri. K. L. Mundra was the Executive Chairman. Shri. N. K. Pareek was non- executive Director and Shri. G. K. Joshi, K. P. Patil (upto 07-10-2009), Shri. Surendra Rao and Shri. R. M. Khandelwal were the non executive independent directors. Thus the Board was comprised of majority of Non executive Independent Directors. The Composition of Board of Directors is as under –

Name of Director	Category	No.of Board Meetings attended during 2009-10	Whether attended last AGM	No of other directorship	No of membership of audit committee and Share Holders & Investors Grievance Committee in other Companies	Chairmanship of audit committee and Share Holders & Investors Grievance Committee in other Companies
Shri K. L. Mundra (Expired on 16-06-2010)	Executive Chairman & Managing Director	5	Yes	2	Nil	Nil
Shri N. K. Pareek	Non Executive Director	5	Yes	1	Nil	Nil
Shri G. K. Joshi	Independent Director	5	Yes	3	2	4
Shri K. P. Patil (Expired on 08-10-2009)	Independent Director	3	No	1	2	Nil
Shri Surendra Rao	Independent Director	5	Yes	Nil	Nil	Nil
Shri R.M. Khandelwal	Non Executive Director	5	No	2	4	Nil

(details are as on 31st March, 2010)

\* Excludes alternate directorships and directorships in foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.

# Excludes Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and Companies other than public limited companies.

**DATES AND NUMBER OF BOARD MEETINGS HELD**

During the financial year ended 31<sup>st</sup> March, 2010, 5(Five) Meetings of the Board of Directors were held as on 29/04/2009, 17/07/2009, 04/09/2009, 30/10/2009 and 29/01/2010.

The Board periodically reviews compliance reports of all the laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliance, if any.

In terms of the provisions of Clause 49 of the Listing Agreement and contemporary practices of good Corporate Governance, the Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Board of Directors have also adopted Revised Code of Conduct in its Meeting held on 29<sup>th</sup> January, 2009 All the Board members and senior management personnel have affirmed compliance with the said Revised Code.

#### **Particulars of Re-appointed Directors:**

Name	:	Shri Surendra Rao
Designation	:	Independent Director
Age	:	46 years
Qualification	:	Graduate from Mumbai University
Experience	:	Consultant in computer Software and Hardware.
Other Directorship	:	M/s Annaya Info Services

#### **Board Committees**

The Board has constituted the following Committees of Directors:

##### **(a) Audit Committee:**

##### **i. Terms of Reference**

The role and terms of reference of Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

##### **ii. Composition**

The Audit Committee was reconstituted on 30.10.2009. Shri. Surendra Rao was inducted as member of the Audit Committee in place of Shri. K. P. Patil, who expired on 08.10.2009. Shri. G. K. Joshi, member of the Audit Committee was appointed as Chairman.

The reconstituted Audit Committee will be as follows:

1. Shri G. K. Joshi	Chairman
2. Shri R. M. Khandelwal	Member
3. Shri Surendra Rao	Member

The Composition of Audit Committee is in conformity with Clause 49 II (A) of the Listing Agreement.

A brief description of the terms of reference of the Audit Committee is as follows:

To review Internal Audit Reports, Statutory Auditors' Report on the financial statements, to generally interact with the Internal Auditors and Statutory Auditors, to review the adequacy of internal control systems, to select and establish accounting policies, to review financial statements before submission to the Board, to recommend the appointment and removal of external auditor and fixation of audit fees and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

During the 2009-10 under review 5(Five) meetings of the Audit Committee were held, on 29/04/2009, 17/07/2009, 04/09/2009, 30/10/2009 and 29/01/2010. The attendance of members are as follows:

Name	Category	Meetings during the Year 2009-10	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shri R. M. Khandelwal	Member	5	4
Shri K. P. Patil (Expired on 08.10.2009)	Member	5	3
Shri. Surendra Rao	Member	5	2



**(b) Share Transfer & Shareholders' / Investors' Grievance Committee :****(i) Terms of references**

- a) To scrutinize and approve registration of transfer of shares / debentures / warrants issued / to be issued by the company.
- b) To exercise all power conferred on the Board of Directors under Article 43 of the Article of Association.
- c) To decide all questions and matters that may arise in regard to transmission of shares / debentures / warrants issued / to be issued by the Company.
- d) To approve and issue duplicate shares / debentures / warrants certificates in lieu of those reported lost,
- e) To refer to the Board and any proposal of refusal of registration of transfer of shares / debentures / warrants for their consideration.
- f) To look into shareholders and investors complaints like transfer of shares, non-receipt of declared dividends, etc., and
- g) To delegate all or any of its power of Officers / Authorized Signatories of the Company.

**(ii) Composition**

The Share Transfer & Shareholders/Investors' Grievance Committee was reconstituted on 30.10.2009. Shri. Surendra Rao was inducted as member of the Share Transfer & Shareholders/Investors' Grievance Committee in place of Shri. K. P. Patil due to his death on 08.10.2009. Shri. G K Joshi, member of the Share Transfer & Shareholders/Investors' Grievance Committee was appointed as Chairman.

The reconstituted Share Transfer & Shareholders/Investors' Grievance Committee will be as follows:

- |                          |          |
|--------------------------|----------|
| 1. Shri G. K Joshi       | Chairman |
| 2. Shri R. M. Khandelwal | Member   |
| 3. Shri Surendra Rao     | Member   |

The constitution and terms of reference of the Share Transfer & Shareholders'/ Investors' Grievance Committee is in agreement with the guidelines prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

This committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate Certificates by the Company; (ii) looks into various issues relating to shareholders, including the redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of Balance Sheet, dividend etc.; and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Share Transfer & Shareholders' / Investors' Grievance Committee met 5(Five) times during the 2009-10 on 29/04/2009, 17/07/2009, 04/09/2009, 30/10/2009 and 29/01/2010. The attendances of the members are as follows:

Name	Category	Meetings during the year 2009-10	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shri R. M. Khandelwal	Member	5	4
Shri K. P. Patil (Expired on 08.10.2009)	Member	5	3
Shri. Surendra rao	Member	5	2

**Name and designation of Compliance officer :**

\* Shri. B. K. Lohia Compliance officer

**Detail of Complaints :**

No. of shareholders' complaints received during the year	: Nil
No. of complaints not resolved to the satisfaction of shareholders	: Nil
No. of pending share transfers	: Nil

**3 General Body Meetings:**

(a) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Location
2008-2009	29/09/2009	3.30 P. M.	At Regd. Office, Mumbai.
2007-2008	28/08/2008	11.00 A.M.	At Regd. Office, Mumbai.
2006-2007	24/09/2007	4.00 P.M.	At Regd. Office, Mumbai.

- (b) Whether Special Resolutions were put through postal ballot last year : No  
(c) Are votes proposed to be conducted through postal ballot this year : No

**4. Other disclosures:**

**(a) Related Party Transactions**

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

**(b) Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable. The Company has not complied with Revised Accounting Standard AS-15 for Gratuity and Leave Encashment as the same are being accounted for on Cash Basis.

**(c) Disclosures on Risk Management**

During the year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and the Board has been informed about the risk assessment and minimization procedures as required under Clause 49 of the Listing Agreement. The Company has framed the Risk Assessment and Minimization- Procedure which will be periodically reviewed by the Board.

**(d) Code of Conduct**

The Board of Directors has adopted the Code of Ethics and Business Principles for the Non-executive Directors as also for the employees including Executive Director. The said Code has been communicated to all the Directors.

- (e) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**  
None

**5. CEO/CFO Certification**

A certificate from Shri N. K. Pareek, CEO on the financial statements of the Company was placed before the Board, as required by Clause 49(V) of the Listing Agreement. There was no CFO in the Company.

**Means of communication:**

**(a) Quarterly results:**

The Unaudited quarterly results are announced within one month from the end of the quarter and the audited annual results within three months from the end of the last quarter, as stipulated under the listing agreement with the Bombay Stock Exchange Limited & Ahmedabad Stock Exchange Ltd.

- (b) Newspapers wherein normally published :** No

- (c) Any Website, wherein displayed:** No

- (d) Whether Website also displays official news releases:** No

- (e) Whether presentations made to institutional investors or to the analysts :** No

- (f) Whether Management Discussion & Analysis Report is a part of Annual Report:** Yes

**6. General Shareholder information:**

- (a) AGM date, time and venue:** Annual General Meeting will be held on 29<sup>th</sup> September 2010, Wednesday at 3.30 P.M. at the Registered office of the Company - 3<sup>rd</sup> Floor, Empire House, 214, Dr. D. N. Road, Mumbai-400 001.

- (b) Financial Year: The Financial Year is from 1<sup>st</sup> April to 31<sup>st</sup> March.  
Tentative Schedule
- |   |   |                                 |
|---|---|---------------------------------|
| Unaudited Results for quarter ending June 30, 2010      | : | 15 <sup>th</sup> August, 2010   |
| Unaudited Results for quarter ending September 30, 2010 | : | 15 <sup>th</sup> November, 2010 |
| Unaudited Results for quarter ending December 31, 2010  | : | 15 <sup>th</sup> February, 2011 |
| Unaudited Results for year ending March 31, 2011        | : | 15 <sup>th</sup> May, 2011      |
| AGM for year ending March 31, 2011                      | : | End September, 2011             |

- (c) **Book Closure period: Share Transfer Register will be closed from 22<sup>nd</sup> September 2010 to 29<sup>th</sup> September 2010 (Both Days Inclusive)**

- (d) **Dividend payment date: Not Applicable**

- (e) **Stock Exchanges where securities are listed.**

The Company's securities are listed at:

1. **Bombay Stock Exchange Limited (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

2. **Ahmedabad Stock Exchange Ltd.**

Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad – 380 015

**STOCK MARKET DATA:**

During the year the trading on the shares of the Company continued to be suspended. The company has already approached Bombay Stock Exchange (BSE Ltd.) for revocation of suspension in trading of shares and compliances for this purpose has been made and the Company's Application for revocation of suspension in trading of shares is pending consideration by the Bombay Stock Exchange Limited till 31<sup>st</sup> March, 2010.

The Trading in shares at Ahmedabad Stock Exchange Ltd. still continues to remain suspended.

**Note:**

The Bombay Stock Exchange vide Notice No. 20100720 - 12 dated 20<sup>th</sup> July, 2010 has revoked the suspension in trading of equity shares of the Company w.e.f. 26<sup>th</sup> July, 2010 and has allowed the resumption of trading in "B" group from the said date. The entire shareholding held by the promoters/ promoter group has been locked in for a period of 3 months.

- (f) **Stock code:** 509051  
INE 300B01014

- (g) **Registrar and Transfer Agent:**  
**M/s Sharex Dynamic (India) Pvt. Ltd.**  
2<sup>nd</sup> Floor, Dena Bank Building No. II,  
Horniman Circle, Fort,  
Mumbai-400 023

- (h) **Share transfer system with number of shares transferred :** Share transfers in physical form are registered and returned within a period of 15-20 days from the date of receipt, in case documents are complete in all respects. The Share Transfer & Shareholders' / Investors' Grievance Committee meets at least every fortnight. The total number of shares transferred during the financial year under review were as below:

	No. of transfers	No. of Shares
Transfer:	14	328650
Other cases (like; deletion, transmission, transposition etc.)	Nil	Nil
<b>Total</b>	<b>14</b>	<b>328650</b>

- (i) Dematerialization of shares and liquidity: Yes

- (j) Outstanding GDRs/ Warrants, Convertible Bonds, conversion date and its impact on equity. Nil

(k) Distribution of Shareholding and Shareholding Pattern as on 31st March, 2010.

(i) Distribution of Shareholding as on 31<sup>st</sup> March, 2010 :

No. of Shares	No. of Shares	%	No. of Shares holders	%
Upto 5000	3,57,411	7.55	1707	81.79
5001-10000	1,97,201	4.17	228	10.92
10001-20000	1,26,598	2.67	80	3.83
20001-30000	75,440	1.59	30	1.44
30001-40000	29,000	0.61	8	0.39
40001-50000	29,650	0.63	6	0.29
50001-100000	46,250	0.98	6	0.29
100001-ABOVE	38,72,250	81.80	22	1.05
<b>Total</b>	<b>47,33,800</b>	<b>100.00</b>	<b>2087</b>	<b>100.00</b>

(ii) Shareholding pattern as on 31<sup>st</sup> March 2010:

	No. of Shares held	% to Total Shares
Promoter Group	2,517,050	53.17
Mutual Funds and UTI	2,25,500	4.76
Banks & Financial institutions & Insurance Companies etc.	-	-
Corporate Bodies	1,03,190	2.18
General Public	18,87,060	39.87
NRIs / OCBs	1,000	0.02
<b>TOTAL</b>	<b>47,33,800</b>	<b>100.00</b>

(l) **Address for correspondence:**

The Company's Registered Office is situated at –

**INDIAN INFOTECH & SOFTWARE LTD.**

3<sup>rd</sup> Floor, Empire House, 214, Dr. D. N. Road, Mumbai-400 001

Any Correspondence by the shareholders should be addressed either to Registered Office at above address or Registrar/ Share Transfer Agents.

**Non-Mandatory Requirements:**

(a) **Office of the Chairman of the Board:**

The Company does not defray the secretarial expenses of the Chairman's office.

(b) **Remuneration Committee**

The Company has not constituted remuneration committee.

(c) **Shareholder rights- furnishing of half yearly results:**

The Company's Quarterly results are not published in newspapers and are, not sent to the shareholders.

**Postal Ballot:**

The Company will comply with the requirements of postal ballot as and when such matter arises requiring approval of the shareholders by such process in terms of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

Adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

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**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2010.

**PLACE : MUMBAI  
DATE : JULY 30, 2010**

**FOR INDIAN INFOTECH & SOFTWARE LTD.  
sd/-  
N. K. PAREEK  
DIRECTOR**

**CEO CERTIFICATE**

I, N. K. Pareek, CEO of Indian Infotech & Software Ltd, to the best of my knowledge and belief certify that:

1. I have reviewed the balance sheet and profit and loss account, and all its schedules and notes to accounts, as well as the cash flow statement:
2. Based on my knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made:
3. Based on my knowledge, information and belief, the financial statements and other financial information included in this report present a true and fair view of the company's affairs for the period presented in this report and are in compliance with the existing accounting standards, applicable laws and regulations:
4. To the best of my knowledge, information and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's Code of Conduct:
5. I am responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting:
6. I have disclosed, based on my most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be to rectify the deficiencies;

I have indicated to the Auditors and the Audit Committee:

- a) Significant changes in the Company's internal control over the financial reporting during the year;
- b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
- c) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

**PLACE : MUMBAI**  
**DATE : JULY 30, 2010**

**sd/-**  
**N. K. PAREEK**  
**(CEO)**

**CERTIFICATE OF CORPORATE GOVERNANCE REPORT**

To The Members of **Indian Infotech and Software Limited**  
Empire House, 3<sup>rd</sup> Floor, 214 Dr. D. N. Road,  
Fort, Mumbai – 400 001

We have examined the compliance of conditions of Corporate Governance by **INDIAN INFOTECH AND SOFTWARE LIMITED** for the year ended 31<sup>st</sup> March, 2010 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of 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(s), except the following :

- 1) CEO/CFO certificate has been only signed by Shri. N K Pareek, the CEO and Executive Director of the Company and not by CFO, hence Company has not complied with Clause 49 of the Listing Agreement.
- 2) The Company has not published Unaudited Quarterly Financial Results in the newspapers.

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

**FOR S. K. JAIN & COMPANY**  
**PRACTICING COMPANY SECRETARIES**  
**Sd/-**  
**(S. K. JAIN)**  
**Partner**  
**C.P. NO. 3076**

**PLACE : MUMBAI**  
**DATE : 8th JULY, 2010**

**COMPLIANCE CERTIFICATE**

**Registration No** : 11-027198  
**Authorised Capital** : Equity Share Capital : Rs. 52,500,000/-  
**Paid Up Capital** : Equity Share Capital : Rs. 40,919,875/-

To

**The Members**

**INDIAN INFOTECH AND SOFTWARE LIMITED**

Empire House, 3<sup>rd</sup> Floor, 214 Dr. D. N. Road,  
Fort, Mumbai – 400 001

We have examined the registers, records, books and papers of **M/s. INDIAN INFOTECH AND SOFTWARE LIMITED** as required to be maintained under the Companies Act, 1956 and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31<sup>st</sup> March, 2010. 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 aforesaid Financial Year:

1. The Company has kept and maintained all 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 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 made there under subject to delay in filing of certain documents as mentioned in "Annexure B"
3. The Company, being a Public Limited Company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met 5 (Five) times respectively on 29/04/2009, 17/07/2009, 04/09/2009, 30/10/2009 and 29/01/2010., 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 had closed its Register of Members and Share Transfer Books in respect of the Equity Shares of the Company from 22-09-2010 to 29-09-2010 (Both days inclusive).
6. The Annual General Meeting for the Financial Year ended on 31<sup>st</sup> March, 2009 was held on 29<sup>th</sup> September, 2009 after giving due notice to the Members of the Company and the resolutions passed there at were duly recorded in 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 or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has entered the particulars of Contract or arrangement that need to be entered into the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government as the case may be.
12. The Board of Directors has approved the issue of Duplicate Share Certificates.
13. The Company has
  - i. not delivered Share Certificate as there was no allotment of any Shares. But however Company has delivered Share Certificates on transfer of securities during the Financial Year.
  - ii. not deposited any amount in a separate Bank Account as no dividend was declared during the Financial Year.
  - iii. not posted warrants to any member of the Company as no dividend was declared during the Financial Year.
  - iv. The Company has not deposited a sum of Rs. 1,22,453/- into Investor Protection Fund towards Unclaimed Dividend as required under Section 205C of the Companies Act, 1956, However there was no unpaid/ Unclaimed amount to be deposited into Investor Protection under section 205C of the Companies Act in respect of application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for the period of seven years and liable to be transferred to Investor Education and Protection Fund.
  - v. duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of any Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year. However due to death of Shri. K P Patil on 08/10/2009 he ceased to be director of the Company..
15. The Company has not appointed any Managing director/ Whole Time Director/ Manager during the Financial year.
16. The Company has not appointed any sole selling agents during the Financial Year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities prescribed under the various provisions of the Act.
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 Preference Shares and 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. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the Financial Year.
24. The Company has not made any borrowings during the year, which would attract provisions of Section 293 (1) (d) of the Act.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office 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 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 share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association pursuant to the provisions of the Act during the Financial Year.
31. There was no prosecution initiated against or show cause notices received by the Company during the Financial Year, for offences under the Act.
32. The Company has not received any money as security from its employees during the Financial Year.
33. The Company has not deducted contribution towards Provident Fund under Provident Fund Scheme u/s 418 of the Act as the Company has not constituted any Provident Fund for its Employees.

**Signature :**  
**Name of the Company Secretary :**  
**S.K. JAIN & CO.**  
**Practicing Company Secretaries**

**Place : Mumbai**  
**Date : 30/07/2010**

**Sd/-**  
**S. K. Jain**  
**Partner**  
**C. P. No. : 3076**



## Annexure 'A'

Registers as maintained by the Company

1. Register of Investments	u/s 49
2. Register of Members	u/s. 150
3. Register of Share Transfers	
4. Register of Directors, Managing Directors etc.,	u/s 303
5. Register of Director's Share Holding	u/s 307
6. Applications and Allotment Register	
7. Minutes Book of the Meeting of Board of Directors and Members	u/s 193
8. Books of Accounts	u/s 209
9. Register of Directors Attendance	

## Annexure 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ended 31<sup>st</sup> March, 2009.

SN.	Nature of Document	Date of Document	Date of Filing	Whether filed within time	If No, whether additional fees paid
1.	Annual Return u/s 159	29/09/2009	07/10/2009	Yes	No
2.	Balance Sheet u/s 220	31/03/2009	01/10/2009	Yes	No
3.	Form-23	29/07/2008	15/09/2009	No	Yes
4.	Form-25C	29/07/2008	15/09/2009	No	Yes
5.	Form-66	31/03/2009	01/10/2009	Yes	No
6.	Form 32	30/10/2009	04/02/2010	No	Yes
7.	Form 32	01/05/2007	10/08/2009	No	Yes
9.	Form 11NV	04/09/2009	01/10/2009	Yes	No

Signature :  
Name of the Company Secretary :  
S.K. JAIN & CO.  
Practicing Company Secretaries

Place : Mumbai  
Date : 30/07/2010

Sd/-  
S. K. Jain  
Partner  
C. P. No. : 3076

**AUDITOR'S REPORT**

To The Members of  
**INDIAN INFOTECH AND SOFTWARE LIMITED**

We have audited the attached Balance Sheet of **INDIAN INFOTECH AND SOFTWARE LIMITED** as at 31<sup>st</sup> March, 2010, the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatement. An audit includes examining, on the 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.

As required by the Companies (Auditor's Report) Order, 2003, and read with the amendments made by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central 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 according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :-

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 2) 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;
- 3) The Balance Sheet and the Profit and Loss Account referred to in the report are in agreement with the books of account;
- 4) In our opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report complies with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- 5) On the basis of written representation received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) we report that of subsection (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of information and according to the explanation given to us, the said accounts read together with other notes, thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India :

- i) in the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and
- ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date.
- iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Mumbai  
Date : 30<sup>th</sup> July, 2010

For **H. P. BIYANI & CO.,**  
**Chartered Accountants,**  
Sd/-  
**(H. P. BIYANI)**  
**PRORIETOR**  
Membership No: 31254  
Firm Reg. No.: 101531W

**ANNEXURE TO THE AUDITORS' REPORT****(Referred to in our Report of even date)**

- (i) a. The Company has maintained statement of all assets showing full particulars including quantitative details and situation of fixed assets. However, the same is to be updated in the Fixed Assets Register.
- b. We have been informed that most of the assets have been physically verified by the management during the period under audit and no material discrepancies were noticed on such verification.
- c. During the year, the Company has not disposed off a major part of the fixed assets.
- (ii) As the Company is an service provider, it does not have any inventory.
- (iii) (a) In our opinion and according to the information and explanation given to us the rate of interest and other terms and conditions on which the loan have been granted are not prima facie prejudicial to the interest of the company.
- (b) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties had repaid principal and interest amounts wherever stipulated.
- (c) There is no overdue amount of loan granted to companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (d) The Company has not taken any loan from the companies, Firm, Party covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.
- (v) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public;
- (vii) The company does not have an internal audit system.
- (viii) (a) As informed to us the Provident fund and Employees' State Insurance Act are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of sales tax, income tax, customs duty, wealth duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (ix) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. Further the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (x) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xi) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xii) 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.

- (xiii) The Company has maintained proper records with regards to its transactions and contracts in respects of investments in shares and other securities and timely entries have been made therein. All these shares and other securities have been held by the company in its own name, except to the extent of exemption granted under Section 49 of the Companies Act, 1956 and for certain shares which are lodged for transfer or held with valid transfer forms;
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions;
- (xv) According to the information and explanations given to us, the Company has not taken any term loans during the year;
- (xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xvii) According to the information and explanations given to us, the Company had not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xviii) According to the information and explanations given to us, the Company has not issued debentures;
- (xix) According to the information and explanations given to us, the Company has not raised money by public issues during the year;
- (xx) According to the information and explanations given to us, no fraud on or by the company had been noticed or reported during the course of our audit.

**Place : Mumbai**  
**Date : 30<sup>th</sup> July, 2010**

**For H. P. BIYANI & CO.,**  
**Chartered Accountants,**  
**Sd/-**  
**(H. P. BIYANI)**  
**PRORIETOR**  
**Membership No: 31254**  
**Firm Reg. No.: 101531W**

**BALANCE SHEET AS AT MARCH 31, 2010**

	SCHEDULE	AS AT 31.3.2010 (RUPEES)	AS AT 31.3.2009 (RUPEES)
<b>SOURCES OF FUNDS :</b>			
1. <u>SHAREHOLDERS' FUNDS</u>			
SHARE CAPITAL	<b>A</b>	40,919,875	40,769,875
RESERVES & SURPLUS	<b>B</b>	1,816,325	2,690,434
		42,736,200	43,460,309
2. DEFERRED TAX LIABILITY		-	23,607
<b>TOTAL</b>		<b>42,736,200</b>	<b>43,483,917</b>
<b>APPLICATION OF FUNDS :</b>			
1. <u>FIXED ASSETS</u>			
GROSS BLOCK	<b>C</b>	3,073,292	3,073,292
Less : Depreciation		2,990,363	2,948,426
<b>NET BLOCK</b>		82,928	124,866
2. <u>INVESTMENTS</u>	<b>D</b>	24,701,234	26,071,703
3. <u>CURRENT ASSETS, LOANS AND ADVANCES :</u>			
Cash & Bank Balance	<b>E</b>	834,393	253,555
Loans & Advances	<b>F</b>	17,616,893	17,582,059
		18,451,286	17,835,614
Less: Current Liabilities & Provisions			
Current Liabilities	<b>G</b>	530,628	504,246
Provision	<b>H</b>	44,019	44,019
<b>NET CURRENT ASSETS</b>		574,647	548,265
		17,876,639	17,287,349
4. <u>DEFERRED TAX ASSET</u>		75,399	--
<b>TOTAL</b>		<b>42,736,200</b>	<b>43,483,917</b>
Notes forming part of the Accounts			

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR H. P. BIYANI & CO.  
Chartered Accountants  
Sd/-  
(H. P. BIYANI)  
Proprietor  
M.NO. 31254  
Firm Reg. No.: 101531W

PLACE : MUMBAI  
DATED : 30TH JULY, 2010

FOR AND ON BEHALF OF THE BOARD

Sd/-  
SURENDRA RAO  
(DIRECTOR)

Sd/-  
N. K. PAREEK  
(DIRECTOR)

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010**

	SCHEDULE	Current year 31.3.2010 (RUPEES)	Previous Year 31.3.2009 (RUPEES)
<b>INCOME</b>			
Income from Operation	I	600,000	750,000
Other Income	J	(286,606)	578,122
<b>TOTAL</b>		<b>313,394</b>	<b>1,328,122</b>
<b>EXPENDITURE</b>			
Salary & Bonus	K	414,000	359,407
Establishment & Other Expenses	L	830,572	875,040
Prior Period Expenses		-	1,700
Depreciation		41,938	66,858
<b>TOTAL</b>		<b>1,286,510</b>	<b>1,303,005</b>
NET PROFIT/(LOSS) BEFORE TAXATION		(973,115)	25,117
Less: Provision for Taxation			
- Current Years		-	23,211
- Deferred tax (Assets)/Liabilities		(99,006)	(21,989)
Less: Provision For FBT		-	214
NET PROFIT/(LOSS) AFTER TAXATION		(874,109)	23,681
Add.: Balance b/f from previous year		2,308,222	2,284,541
Amount available for appropriation		<b>1,434,113</b>	<b>2,308,222</b>
<b>APPROPRIATION :</b>			
Balance carried to Balance Sheet		1,434,113	2,308,222
<b>TOTAL</b>		<b>1,434,113</b>	<b>2,308,222</b>
Basic Earning Per share (Refer note No. 10 of Schedule M)		(0.21)	0.01
Notes forming part of the Account	M		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR H. P. BIYANI & CO.  
Chartered Accountants  
Sd/-  
(H. P. BIYANI)  
Proprietor  
M.NO. 31254  
Firm Reg. No.: 101531W

PLACE : MUMBAI  
DATED : 30TH JULY, 2010

FOR AND ON BEHALF OF THE BOARD

Sd/- SURENDRA RAO  
(DIRECTOR)

Sd/- N. K. PAREEK  
(DIRECTOR)

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

	AS AT 31.3.2010 (RUPEES)	AS AT 31.3.2009 (RUPEES)
<b><u>SCHEDULE 'A'</u></b>		
<b>SHARE CAPITAL :</b>		
AUTHORISED 5,250,000 Equity Shares of Rs. 10/- each (Previous year 5,250,000 Equity Shares of Rs.10/- each)	52,500,000	52,500,000
<b>ISSUED CAPITAL :</b> 50,08,000 Equity Shares of Rs. 10/- each (Previous Year 5,008,000 Equity Shares of Rs.10/- each)	50,080,000	50,080,000
<b>SUBSCRIBED &amp; PAID UP CAPITAL :</b> 4,733,800 (Previous Year 4,733,800) Equity Shares of Rs. 10/- each Fully Called Up. Less : Calls in Arrears	47,338,000 6,418,125	47,338,000 6,568,125
<b>TOTAL</b>	<b>40,919,875</b>	<b>40,769,875</b>
<b><u>SCHEDULE ' B '</u></b>		
<b>RESERVES &amp; SURPLUS</b>		
General Reserves (As per last Balance Sheet)	347,212	347,212
Special Reserve (As per last Balance Sheet)	35,000	35,000
Surplus as per Profit & Loss A/c.	1,434,113	2,308,222
<b>TOTAL</b>	<b>1,816,325</b>	<b>2,690,434</b>

**SCHEDULES 'C'****FIXED ASSEST**

SR. NO.	Description of Assets	Depreciation Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
			As at 1.4.2009	Additions during the year	As at 31.3.2010	Up to 1.4.2009	For the Year	Up to 31.3.2010	As at 31.3.2010	As at 31.3.2009
1.	Computer	40%	2,902,777	-	2,902,777	2,812,866	35,964	2,848,830	53,947	89,911
2.	Furniture & Fixture	18.1%	161,025	-	161,025	134,503	4,800	139,303	21,722	26,522
3.	Office Equipments	13.9%	9,490	-	9,490	1,056	1,173	2,229	7,261	8,434
	<b>Total</b>		3,073,292	-	3,073,292	2,948,425	41,938	2,990,363	82,929	124,867
	Previous Year Rupees		3,063,802	9,490	3,073,292	2,881,568	66,858	2,948,425	124,867	182,234

	AS AT 31.3.2010 (RUPEES)	AS AT 31.3.2009 (RUPEES)
<b>SCHEDULE ' D '</b>		
<b>INVESTMENTS (AT COST)</b>		
<b>LONG TERM INVESTMENTS :</b>		
<u>Quoted</u>		
a) 880,650 (Previous year 880,650) Equity Shares of TECIL Chemicals & Hydro Power Ltd. of Rs.10/- each fully paid up. *	21,483,728	21,483,728
b) (Previous year 3,000) Equity Shares of Associate Profile & Aluminium Ltd., of Rs.10/- each fully paid up.*	-	30,000
c) 12,00,000 (Previous year 12,00,000) Equity Shares of TECIL Chemicals & Hydro power ltd. of Rs. 2.40 each	2,880,000	2,880,000
d) (Previous year 2,000) Equity Shares of RPL of Rs. 10/- each fully paid	-	417,314
e) (Previous year 176) Equity shares of Reliance Power of Rs. 10/- each fully paid	-	36,630
f) (Previous year 10,000) Equity Shares of Glory PolyFilms Ltd. of Rs.10/- each fully paid	-	862,256
g) 2144 (Previous year 2,500) Equity Shares of Keynote Corporation Ltd. of Rs.10/- each fully paid (Market Value Rs. 1,25,638/-)	58,102	67,750
h) (Previous year 15) Equity Shares of Ciba Speciality Chemicals (India) Ltd. of Rs.10/- each fully paid	-	3,000
i) (Previous year 100) Equity Shares of Ispat Alloys Ltd. of Rs.10/- each fully paid	-	2,100
j) 30 (Previous year 60) Equity Shares of Noverties India Ltd. of Rs.10/- each fully paid (Market Value Rs. 17,196/-)	8,280	16,560
k) (Previous year 40) Equity Shares of Ferro alloys Coporation Ltd. of Rs.10/- each fully paid	-	800
l) (Previous year 40) Equity Shares of Facor alloys Ltd. of Rs.10/- each fully paid	-	320
m) (Previous year 20) Equity Shares of Facor Steels Ltd. of Rs.10/- each fully paid	-	120
n) 52,881 (Previous year 52,881) Equity Shares of Chemo Pharma Laboratories Ltd. of Rs.10/- each fully paid	129,558	129,558
o) 100 (Previous year 100) Preference Shares of Citric India Ltd. of Rs.10/- each fully paid	10,000	10,000
p) 20,950 (Previous year 20,950) Equity Shares of Citric India Ltd. of Rs.10/- each fully paid	47,138	47,138
<b>Total - A</b>	<b>24,616,806</b>	<b>25,987,275</b>

\* Note : Trading in Shares of Tecil Chemicals & Hydro Power Ltd. has been suspended and hence, Market Price is not available.

The Market Value of other quoted Shares is given in bracket.



	AS AT 31.3.2010 (RUPEES)	AS AT 31.3.2009 (RUPEES)
<u>Unquoted</u>		
a) 1,000 (Previous Year 1,000) OFCD of Lloyds Finance Ltd., of Rs.190/- each Rs.50/- partly paid up.	50,000	50,000
b) 6,820 (Previous Year 6,820 ) Equity Shares of Elchem Sales Corp. Pvt. Ltd. of Rs.10/- each fully paid up.	34,428	34,428
<b>Total - B</b>	<b>84,428</b>	<b>84,428</b>
<b>(A + B)</b>	<b>24,701,234</b>	<b>26,071,703</b>
<b>SCHEDULE ' E '</b>		
<u>CASH &amp; BANK BALANCES</u>		
Cash in Hand	2,597	6,887
Balance with Scheduled Bank in Current Accounts	831,796	246,668
<b>T O T A L</b>	<b>834,393</b>	<b>253,555</b>
<b>SCHEDULE ' F '</b>		
<u>LOANS AND ADVANCES :</u>		
(Unsecured considered good)		
a) Advance Recoverable in cash or in kind for value to be received	17,181,303	17,224,327
b) Payment of Income-tax & Tax Deducted at Source	434,921	357,275
c) Payment of Fringe Benefit Tax	669	457
<b>T O T A L</b>	<b>17,616,893</b>	<b>17,582,059</b>
<b>SCHEDULE ' G '</b>		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors	253,615	253,615
Creditors for Expenses	154,560	82,376
Investor Education and Protection Fund (Refer note no. 10 of Schedule "N")	122,453	168,255
<b>T O T A L</b>	<b>530,628</b>	<b>504,246</b>
<b>SCHEDULE ' H '</b>		
Provision for I.T. (AY 2008-09)	20,137	20,137
Provision for I.T. (AY 2009-10)	23,211	23,211
Provision for FBT (A.Y. 2007-08)	227	227
Provision for FBT (A.Y. 2008-09)	230	230
Provision for FBT (A.Y. 2009-10)	214	214
<b>T O T A L</b>	<b>44,019</b>	<b>44,019</b>
<b>SCHEDULE ' I '</b>		
<u>INCOME FROM OPERATIONS</u>		
Consultation Charges (Excluding of Service Tax)	600,000	750,000
<b>T O T A L</b>	<b>600,000</b>	<b>750,000</b>

	AS AT 31.3.2010 (RUPEES)	AS AT 31.3.2009 (RUPEES)
<b><u>SCHEDULE ' J '</u></b>		
<b><u>OTHER INCOME</u></b>		
Dr/Cr Balance W/Off	-	7,500
Miscellaneous Receipts	50	-
Interest received	388,233	559,947
Long Term Capital Gains	(683,866)	3,675
Dividend Received	8,978	7,000
<b>TOTAL</b>	<b>(286,606)</b>	<b>578,122</b>
<b><u>SCHEDULE ' K '</u></b>		
<b><u>PERSONNEL COST</u></b>		
Salary to Staff	384,000	325,657
Ex-Gratia	30,000	33,750
<b>TOTAL</b>	<b>414,000</b>	<b>359,407</b>
<b><u>SCHEDULE ' L '</u></b>		
<b><u>ESTABLISHMENT &amp; OTHER EXPENSES</u></b>		
Annual Listing & Filing Fees	55,966	37,382
Auditors remuneration :		
- Audit fees	10,000	10,000
- Service tax	1,030	1,030
Bank Charges	1,843	1,509
Bad Debts Written off	389,936	410,459
Director Remuneration	225,000	300,000
Profession Tax (Firm)	2,500	1,700
Professional Fees	22,250	32,723
Printing & Stationery	8,457	7,125
Repairs & Maintainance	3,301	-
Service charges paid	6,000	6,000
Share Transfer Expenses	57,099	32,330
Postage & Telegram	8,615	8,915
Service Tax Paid	9,516	3,074
Telephone Expenses	3,001	3,125
Advertisement & Publicity	26,058	19,668
<b>TOTAL</b>	<b>830,572</b>	<b>875,040</b>

**SCHEDULE –M****NOTES FORMING PART OF ACCOUNTS :****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

- i) Income Recognition:
    - a) Revenue is being recognised as and when there is reasonable certainty of ultimate realization.
    - b) Dividend income is accounted on cash basis.
  - ii) Expense Recognition:

It is the Company's policy to provide for all the expenses on accrual basis.
  - iii) Investments:

Long term Investments are stated at cost.
  - iv) a) Fixed Assets:

Fixed Assets are stated at cost.

    - b) Depreciation:

Depreciation on assets is provided on written down value method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
  - v) Treatment of retirement benefits:

Retirement benefits are recorded only on crystallization of liability.
  - vi) Treatment of Contingent Liability:

Contingent liabilities are disclosed by the way of notes.
  - vii) Taxation:
    - a) Income tax expense comprises of the current tax and deferred tax charge or credit.
    - b) The deferred tax asset and deferred tax liability is calculated by applying the tax rate and tax loss that have been enacted or substantially enacted as at the Balance Sheet date.
    - c) Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realization.
    - d) At each balance sheet date, the carrying amount of deferred tax asset is reviewed to reassure realization.
  - viii) Other Accounting Policies:

These are consistent with the generally accounting practices.
2. Interest is accounted wherever stipulation exists in this regard.
  3. Some debit/credit balances and advances are subject to confirmation.
  4. Out of Loans and advances of Rs. 1,75,82,059/- a sum of Rs. 77,98,726/- is doubtful of recovery & a provision amounting to Rs. 3,89,936/- has been made in the accounts.
  5. In the opinion of the Board of Directors of the Company and to the best of their knowledge and belief:
    - a) The value of the realization of the current assets, loans and advances, in the ordinary course of the business would not be less than the amount stated in the Balance Sheet.
    - b) The provision for the depreciation and all known liabilities is adequate and not in excess of the amount reasonably required.
  6. Previous year figures have been reclassified and regrouped wherever necessary.
  7. All figures have been rounded to the nearest rupee.

8. Additional information Pursuant to the provisions of paragraph 3, 4C, and 4D and other information pursuant to the part II of Schedule VI of the Companies Act, 1956 are not applicable to the Company.
9. Investor Education and Protection Fund indicates unpaid dividend amounting to Rs. 1,22,453/- amount due and outstanding to be credited to the Investor Education and Protection Fund.
10. Earning Per Share:

Particulars	Y. E. 31/03/2010	Y. E. 31/03/2009
Net Profit (Loss) attributable to Shareholders	(8,74,109)	23,681
Weighted Average Outstanding Equity shares (Nos.)	40,91,988	40,76,988
Basic Earning Per share of Rs. 10/- each	(0.21)	0.01

The Company does not have outstanding dilutive potential equity shares. Consequently, the basic earnings per share and diluted earning per share of the Company remains the same.

11. RELATED PARTY DISCLOSURE :

(A) List of Related Parties.

a) Key Management Personnel

K.L. Mudra - Director

b) Associates

TECIL Chemicals & Hydro Power Ltd.  
Chemo Pharma Labs Ltd.

Note: Related Party relationships have been identified by the management and relied upon by the auditors.

(B) Related Party Transactions:

a) Director's Remuneration:

Sr. No.	Category	Nature of Transaction	Amount (Rs.)
1	Shri K. L. Mudra	Managerial Remuneration	2,25,000/-

b) Details of Advances :

Group Companies	Opening Balance (Rs.)	Given (Rs.)	Received (Rs.)	Closing Balance (Rs.)
Tecil Chemicals & Hydro power Ltd.	32,55,000 (Dr.)	8,56,000	41,11,000	-

12. The Company does not have a full time Company Secretary as required under Section 383 of the Companies Act, 1956.

13. As per the information available with the company there are no dues outstanding to any Small Scale Industrial undertaking as defined under the Interest on Delayed Payment to Small Scale and Ancillary Industrial Undertaking Act, 1993

**AS PER OUR REPORT OF EVEN DATE**

For **H. P. BIYANI & Co.**  
**CHARTERED ACCOUNTANTS**

Sd/-

**H. P. BIYANI**  
**(PROPRIETOR)**

**M.No.: 31254**

**Firm Reg. No.: 101531W**

**PLACE : MUMBAI.**

**DATE : 30<sup>TH</sup> JULY, 2010**

**For & on behalf of Board**

Sd/-  
**SURENDRA RAO**  
**(DIRECTOR)**

Sd/-  
**N. K. PAREEK**  
**(DIRECTOR)**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	FOR THE YEAR ENDED 31.3.2010 (RUPEES)	FOR THE YEAR ENDED 31.3.2009 (RUPEES)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before tax and extraordinary items	(973,115)	25,117
Provision for Interest on TDS	-	-
Bad Debts W/off	-	-
Depreciation	41,938	66,858
	(931,177)	91,975
Dividend Income	(8,978)	(7,000)
Long Term Capital Gains	683,866	(3,675)
Interest received	(388,233)	(559,947)
Operating Profit & Loss Before Working Capital Changes	(644,522)	(478,647)
<b>Adjustment For:</b>		
Current Liabilities	26,382	(681,122)
Prior Period Expenses	-	-
Loans & Advances	(34,835)	523,581
CASH GENERATED FROM OPERATIONS	(652,975)	(636,188)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(A) (652,975)</b>	<b>(636,188)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale/ (Purchase) Of Investment	1,370,469	(161,801)
Dividend Received	8,978	7,000
Purchase of Fixed Assets	-	(9,490)
Long Term Capital Gains	(683,866)	3,675
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(B) 695,580</b>	<b>(160,616)</b>
<b>CASH FLOW FROM FINANCE ACTIVITIES:</b>		
Call Money Received	149,999	300,000
Interest received	388,233	559,947
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(C) 538,232</b>	<b>859,947</b>
NET INCREASES IN CASH AND CASH EQUIVALENT	580,838	63,144
CASH AND CASH EQUIVALENTS AS AT 1st April, 2008 (OPENING BALANCE)	253,555	190,411
CASH AND CASH EQUIVALENTS AS AT 31st March, 2009 (CLOSING BALANCE)	834,393	253,555

PLACE : MUMBAI  
DATED : 30th July, 2010

FOR & ON BEHALF OF THE BOARD  
Sd/-  
SURENDRA RAO  
(DIRECTOR)

Sd/-  
N. K. PAREEK  
(DIRECTOR)

**AUDITORS CERTIFICATE**

We have examined the above Cash Flow Statement of Indian Infotech & Software Ltd., for the year ended 31/03/2010. The Statement has been prepared by the company in accordance with the requirement of Clause 32 of Listing Agreement with Stock Exchanges and is based on and is in agreement with corresponding Profit and Loss and Balance Sheet of the Company covered by our report of 30th July 2010 to the Members of the Company.

PLACE : MUMBAI  
DATED : 30th July, 2010

For H. P. BIYANI & Co.  
Chartered Accountants  
Sd/-  
(H. P. BIYANI)  
Proprietor (M.No. 31254 )  
Firm Reg. No.: 101531W

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

(Amount in Rs. Thousand)

**I. Registration Details**

Registration No. :	<b>27198</b>	State Code :	<b>11</b>
Balance Sheet :	<b>31-March-2010</b>		

**II. Capital raised during the year.**

Public Issue	<b>Nil</b>	Right Issue	<b>Nil</b>
Bonus Issue	<b>Nil</b>	Private Placement	<b>Nil</b>

**III. Position of Mobilisation and Deployment of Funds**

TOTAL LIABILITIES	<b>42736</b>	TOTAL ASSETS	<b>42736</b>
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**Sources of Funds**

Paid up Capital	<b>40920</b>	Reserve & Surplus	<b>1816</b>
Secured Loans	<b>Nil</b>	Unsecured Loans	<b>Nil</b>

**Application of Funds**

Net Fixed Assets	<b>83</b>	Investments	<b>24701</b>
Net Current Assets	<b>17877</b>	Misc. Expenditure	<b>Nil</b>
Deferred Tax Asset	<b>Nil</b>		
Accumulated Losses	<b>Nil</b>		

**IV. Performance of Company**

Turnover / Income	<b>313</b>	Total Expenditure	<b>1287</b>
Profit before Tax	<b>-973</b>	Profit after Tax	<b>-874</b>
Earning per Share in Rs.	<b>-0.214</b>	Dividend rate %	<b>-</b>

**V. Generic Names of Three Principal Products / Services of Company ( as per monetary terms)**

Product Description :	<b>Computer Training</b>	Item Code No.:	<b>Not Applicable</b>
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The Schedules and Notes referred to the above form an integral part of the Accounts.

As per our report of even date Signatures of Schedule A to N attached.

for **H. P. BIYANI & CO.**  
Chartered Accountants

**FOR & ON BEHALF OF THE BOARD**

Sd/-

**H. P. BIYANI**  
(Proprietor)

**M.NO. 31254**  
Firm Reg. no.: 101531W

Sd/-  
**SURENDRA RAO**  
(DIRECTOR)

Sd/-  
**N. K. PAREEK**  
(DIRECTOR)

**PLACE : MUMBAI**  
**DATED : 30th July, 2010**

**INDIAN INFOTECH & SOFTWARE LIMITED**

Regd. Office: 3<sup>rd</sup> Floor, Empire House, 214, Dr. D. N. Road, Fort, Mumbai – 400 001.

**PROXY FORM**

I/We ..... of .....in the district of..... being member/members of above named Company hereby appoint..... of..... in the district of.....or failing

Him ..... of ..... in the district of ..... as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 29<sup>th</sup> September, 2010 at 3.30 p.m. and at any adjournment thereof.

Signed this..... day of .....2010



Folio No.

NOTE: THE PROXY DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

—————TEAR HERE—————

**INDIAN INFOTECH & SOFTWARE LIMITED**

Regd. Office: 3<sup>rd</sup> Floor, Empire House, 214, Dr. D. N. Road, Fort, Mumbai – 400 001.

**ATTENDANCE SLIP**

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full name of the Share Holder \_\_\_\_\_

Full name of the First Joint Holder \_\_\_\_\_  
(To be filled in if first named joint holder does not attend the meeting)

Name of Proxy \_\_\_\_\_  
(To be filled in if Proxy Form has been duly deposited with the Company)

I, hereby record my presence at the Meeting of the Share Holders of the Company held at the Registered Office of the Company on Wednesday, 29<sup>th</sup> September, 2010 at 3.30p.m.

Registered Folio No. \_\_\_\_\_

Share Holders/Proxy's Signature  
(To be signed at the time of handing over the slip)

No. of Share held \_\_\_\_\_



## **Book Post**

*If undelivered please return to :*

**INDIAN INFOTECH & SOFTWARE LIMITED**

Empire House, 3rd Floor,

214, Dr. D. N. Road, Fort,

**Mumbai – 400 001.**