

BRELS



INFOTECH LTD.

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BRELS INFORMATION SYSTEMS

Signature

Officially Certified and Signatory

23nd

ANNUAL REPORT

2007 - 2008

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- 1. BOARD OF DIRECTORS** : **MR. S. K. SARAOGI** – Chairman Cum
Managing Director
MR. A. DHANANIA – Director
MR. T. CHOWDHURY – Director
MR. M. KUMAR THAKUR – Director
MR. KAVITA SARAOGI – Director
- 2. COMPANY SECRETARY** : **MR. J. TIWARI**
- 3. AUDITORS** : **PRODIP SARKAR & ASSOCIATES**
Chartered Accountants
Kolkata
- 4. SOLICITORS** : **B.K. JAIN & CO.**
SOLICITORS & ADVOCATES
KOLKATA
- 5. BANKER** : **ABN AMRO BANK**
KOLKATA
- 6. REGISTERED OFFICE** : **1/1A, UPPER WOOD STREET**
KOLKATA-700 017
- 7. REGISTRARS & SHARE
TRANSFER AGENTS** : **M/s. S. K. COMPUTERS**
34/1A, Sudhir Chatterjee Street
Kolkata-700 006

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the shareholders of M/s BRELS INFOTECH LTD. will be held on Wednesday, the 6th August 2008 at 9.30A.M at CD-28, Saltlake, Sector-I, Kolkata-700064, to transact the following business:-

Ordinary Business :-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. A.Dhanania who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

Date: 1st July 2008
Registered Office:
1/1A, Upper Wood Street,
Kolkata – 700 017

By Order of the Board
(SUSHIL K SARAOGI)
Chairman cum Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY / PROXIES IN HIS / HER STEAD AND A PROXY NEED NOT BE A MEMBER. A PROXY TO BE EFFECTIVE SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HRS BEFORE THE MEETING. A PROXY FORM IS ENCLOSED HEREWITH.
2. The register of the members and Share transfer Books of the Company shall remain closed from 31st July, 2008 to 6th August, 2008. (Both days inclusive)
3. Details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Director seeking appointment / re-appointment at the Annual General Meeting are annexed hereto.
4. Members are requested to notify any change in there mailing address forthwith.
5. Members who are holding shares in identical order of names and address in more than one account are requested to intimate the Company, the Ledger Folio of such accounts with Share Certificate to enable the Company to consolidate their holding into one account. The Share certificate will be duly returned after making necessary endorsements thereon.
6. Members desiring any information on the accounts at the Annual General Meeting may kindly write to the Company at least 7 days in advance, so as to enable the company to keep the information ready.
7. Members are requested to kindly bring their copies of the Report and Accounts to the meeting.
8. Members who hold shares in dematerialized form are requested to bring their Client ID & DP ID Numbers for easy identification for attendance at the meeting.

9. Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

NAME OF DIRECTOR	Mr. A.Dhanania
1. Date of Birth	22/02/1966
2. Date of Appointment	09-02-2005
3. Qualification	B.Com
4. Expertise in specific Functional area	Marketing
5. Directorship in other Public Companies	NIL
6. Chairmanship/ Membership in Committees in other Limited Companies	NIL
7. Shareholding as on 31.03.2008	NIL

DIRECTORS' REPORT

Your Directors take pleasure in presenting the 23rd Annual report and the Audited Statement of Accounts for the period ended 31st March 2008.

The financial results of the Company's operation during the period under review and those of the previous year are given below.

FINANCIAL RESULTS

	(Rs. In Lacs) Current Year ended on 31.03.2008 (12 Months)	(Rs. In Lacs) Previous year ended 31.03.2007 (9 Months)
Gross Sales	1444.20	636.03
Other Income	623.95	279.46
Total	2068.15	915.49
Less: Expenditure	1645.91	753.13
Gross Profit/(Loss)	422.24	162.36
Less: Depreciation	386.50	251.23
Net profit / (Loss) before tax	35.74	(88.87)
Less: Provision for Income tax & Fringe Benefit Tax	4.36	7.18
Add: Deferred Tax	1.84	(31.18)
Net profit / (Loss) after tax (PAT)	33.22	(127.22)
Add: Balance B/F from P.Year	362.82	490.03
	396.04	362.81
Less: Adj. for Earlier Year Deferred Tax	152.13	—
Less: Capitalisaion for issue of Bonus Shares	158.06	362.82
Balance carried to Balance Sheet	85.85	362.82
Earning Per Share	0.008	(0.04)

The financial results for the previous year were for nine (9) months as against that of the current year of twelve (12) months and hence the figures for the two years are not comparable. However it may be pointed out that the amalgamation of business of three sister companies in the last year has yield positive results by changing the EPS of the Company from a negative one to an encouraging figure of Re.0.008. The diversification of business activities has shown indication of turn around and the directors are very much optimistic about further betterment in the current year.

DIVIDEND

There being no substantial profit during the year, your Directors have decided not to recommend any dividend for the year ended.

REVIEW OF OPERATIONS

The year under review will be marked as the year of turn around. Timely actions taken by the management to tide over the serious liquidity crisis and loss of business has yielded positive results. The gross turnover of the Company could be doubled and resulted in increase of operating profit by 150% over the last year which enabled the company to earn a net profit after tax of Rs.35.74 Lacs as against a net loss of Rs.88.87 Lacs. As was expected, the diversification process has reversed the performance graph of the Company.

CAPITAL STRUCTURE

During the financial period 2007-2008 the Authorised Capital of the Company comprising of Equity Shares has increased to Rs.45.00 crores from Rs.33.00 crores in the previous year to accommodate the issue of Bonus Shares.

CURRENT PERFORMANCE

NASSCOM in their Strategic Review 2008, observed that in the coming next four years, global technology spend is expected to cross USD 2 trillion, growing at a compounding Annual Growth Rate of 5.60% and outpaced GDP growth in most developed countries. The increasing spends on outsourcing and strategic sourcing by global player's augers good growth prospectus for the Indian IT-ITES industry. In view of this huge global opportunity, the Indian IT and BPO industries could grow at an annual rate greater than 25%.

BONUS ISSUE

During the year company capitalized the carried forward reserves amounting to Rs.1193.72 lacs for issue of fully paid Bonus Shares in the ratio of 3(three) Bonus shares for every 8(eight) shares held by the members. Consequently the paid up capital of the Company was increased from Rs.31.83 crores to Rs.43.77 crores.

DIRECTORS

Shri A.Dhanania, Director of the company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) in the preparation of Annual Accounts for the Financial Year 2007-2008 the applicable Accounting Standards had been followed and no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the profit and loss of the company for that period;
- c) to the best of their knowledge and information, they have 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) they have prepared the Annual Accounts on a going concern basis.

DEPOSITS

The company has not accepted and / or renewed any deposit from the public during the period nor was their any carried forward balance at the end of year.

AUDITORS & THEIR REPORT :

Messers Prodip Sarkar & Associates, Chartered Accountants, the auditors of the company retires at the conclusion of the forthcoming Annual General Meeting and they being eligible, offers themselves for re-appointment.

The reports of the Auditors when read with the notes on Accounts are self explanatory and need no further explanation.

APPOINTMENT OF MANAGING DIRECTOR

During the year Mr. Sushil K. Saraogi the whole time director of the Company was elevated to Whole time Managing Director by a resolution of the members passed in the Extra Ordinary General Meeting held on 11.02.2008.

COMPLIANCES

The Company did not default in the payment of interest and / or repayment of loan to any of the financial Institutions and / or banks during the period under review.

CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance, as provided under the amended Clause 49 of the Listing Agreement with the Stock Exchanges, are duly complied with.

A separate report on Corporate Governance along with auditors' certificate for its due compliance and Managements' Discussion and Analysis are annexed hereto and form part of this Annual Report.

STATUTORY INFORMATION :

(1) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The company being engaged in non- manufacturing activities , the information required under the provisions of section 217(1)(e) of the Companies Act, 1956 read with the companies (Disclosure of particulars in the report of the Directors) Rules 1988, relating to conservation of energy, etc is not required. The particulars of Foreign Exchange earnings and outgo are given hereunder:

(2) FOREIGN EXCHANGE INCOME AND OUTGO

	<u>Current Year</u>	<u>Previous Year</u>
Foreign Exchange Earned :	Rs. NIL	Rs. NIL
Foreign Exchange Outgo :	Rs. NIL	Rs. NIL

(3) EMPLOYEES PARTICULARS

The company having no employee drawing salaries in excess of Rs. 24, 00,000 p.a. or Rs.2,00,000 per month for a part of the year, the provisions U/S 217(2A) of the Companies Act, 1956 are not attracted.

PERSONNEL/INDUSTRIAL RELATIONS

During the period under review, your company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of the employee have enabled your Company to remain at the forefront of the industry. Your Directors record their appreciation for this hard work and efficiency.

APPRECIATION

We wish to place on record our appreciation for the continued assistance and co-operation extended to the Company by the Government of India, State Governments, Financial Institutions and Banks, dealers and customers, shareholders and to all others who are continuing their assistance to the Company.

Place : Kolkata
Date : 1st July, 2008

For and on behalf of the Board
SUSHIL K SARAOGI
(CHAIRMAN CUM MANAGING DIRECTOR)

ANNEXURE A1 TO THE DIRECTORS REPORT REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2007-2008

1. COMPANY'S PHILOSOPHY

The company believes in adopting such management and Governance practices which will ensure the principles of full transparency and accountability and thereby protect the interest of the stakeholders. The Directors consider themselves as the trustees of the shareholders and strictly believes in the right of the shareholders to get fullest information on the Company's performances. They acknowledges their responsibility towards the shareholders for creation as well as safeguarding their wealth.

The provisions under clause 49 of the listing Agreement and to some extent the provisions of Section 297A of the Companies Act, 1956, lays down basic principles and procedure and formalities of good Corporate Governance which are mandatory for the Corporate management. Brels Infotech Ltd recognizes the importance of such corporate governance and always endeavors to achieve the highest level of Corporate Governance through all disclosures and transparency in its dealing with employees, shareholders, creditors, customers, and all other stake holders.

During the year under review, the company continued its endeavor to achieve their objectives by means of adoption and monitoring Corporate Strategies, prudent business plans and persued such policies and procedure to satisfy its ethical responsibilities.

2. BOARD OF DIRECTORS

The Board of Directors comprises of 5 Directors and all of them are having extensive and varied experience in their respective fields. In due compliance with Clause 49 of the listing Agreement with the Stock exchanges details regarding the composition of board of Directors is as follows:

(i) Composition & Category of Directors

The Board of Directors of your company as on 31st March 2008 consisted of five Directors as under :

Name of Directors	Designation	Category
Mr. S.K.Saraogi	Managing Director (CMD)	Executive
Mr. A. Dhanania	Director	Non-Executive & Independent
Mr. T. Chowdhury	Director	Non-Executive & Independent
Mr. M. Kumar Thakur	Director	Non-Executive & Independent
Mrs. Kavita Saraogi	Director	Non-Executive & Independent

In due compliance of Section 269 and other applicable provisions of the Companies Act, 1956. Mr. Sushil K Saraogi has been appointed Chairman cum Managing Director of the Company by a Members Resolution dated 11/02/2008.

The Board has an optimum combination of Executive and Non Executive Directors and more than two third of the Board comprises of Independent Directors. The Company did not have any pecuniary relationship or transaction with the Non Executive Independent Directors during the year. The Independent Directors are not related with the promoters or with the persons occupying the management position at the Board level or any level below the Board. They were neither in employment of the company for the last three years nor were related with the company in a capacity as suppliers, service providers, lessors, lessees or customers of the company which might have affected their in dependency. None of the Directors are holding any substantial shares of the company individually or jointly with others.

(ii) Attendance at the Board Meeting & the last Annual General Meeting Directorship & Chairmanships/ Membership in other Boards/Board Committees :

Name and category of the Directors on the Board, their attendance at Board meetings held during the period, number of Directors and committee Chairmanships/ Memberships held by them in other public limited companies are given below. Other Directorships do not include alternate Directorships, Directorship in Private Limited Companies, and Companies Under Section 25 of the Companies Act, 1956 and of the Companies incorporated outside India. Chairmanship/ Membership of Board committee relates to only Audit and Shareholders' Grievances Committee.

(ii) Attendance at the Board Meeting & the last Annual General Meeting Directorship & Chairmanships/ Membership in other Boards/Board Committees :

Name and category of the Directors on the Board, their attendance at Board meetings held during the period, number of Directors and committee Chairmanships/ Memberships held by them in other public limited companies are given below. Other Directorships do not include alternate Directorships, Directorship in Private Limited Companies, and Companies Under Section 25 of the Companies Act, 1956 and of the Companies incorporated outside India. Chairmanship/ Membership of Board committee relates to only Audit and Shareholders' Grievances Committee.

Name of Directors	Category	No of Board Meetings		Whether attended last AGM held on 21st Sept. 2007	No. of Directorship in other Public Ltd Companies	No. of Committee positions held in other Public Ltd Companies	
		Held during tenure	Attended			As Chairman	As Member
Mr. S.K.Saraogi	Executive	7	7	Yes	nil	nil	nil
Mr. A.Dhanania	Non Executive & Independent	7	4	Yes	nil	nil	nil
Mr. T.Chowdhury	Non Executive & Independent	7	5	Yes	nil	nil	nil
Mr. M.Kumar Thakur	Non Executive & Independent	7	4	Yes	nil	nil	nil
Mrs. Kavita Saraogi	Non Executive & Independent	7	4	Yes	nil	nil	nil

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 committees as specified in Claus 49, across all the Companies in which he is a Director. The Directors have made necessary disclosure regarding committee positions held in other public limited companies as on 31st March, 2008.

(iv) Number & Dates of Board Meetings

During the period under review, there had been 7 (Seven) Board meetings held as follows :

Sl.No	Date of Board Meeting	No. of Directors Present
1	30.04.2007	3
2	30.07.2007	3
3	18.08.2007	4
4	30.10.2007	3
5	09.01.2008	4
6	30.01.2008	3
7	21.03.2008	4

3. BOARD PROCEDURE

The Board of Directors meet from time to time to transact such business in respect of which the attention and sanction of the board is required. There is a well laid procedure of sending to all the Directors due notice of the meetings accompanied by detailed agenda papers sufficiently in advance. The Directors freely express their views and seek clarification on various points concerning the respective business of the meeting and decision taken in such meetings are duly and correctly implemented without any reservation and are recorded in the minute's book maintained for the purpose. The Directors hold their offices strictly in compliance with the provisions the Companies Act, 1956 and the provisions of the Articles of Association of the Company.

4. BOARD COMMITTEE

The Board of Directors has three (3) Committees of Directors to assist the Board in discharging its responsibilities towards strategic supervision;

The said committees are: Audit Committee, Share Transfer Committee/ Investor Grievance Committee and Remuneration Committee.

5. AUDIT COMMITTEE

Pursuant to the provisions Under Section 292A of the Companies Act, 1956 the Board has since constituted an Audit Committee with Mr. M.Kumar Thakur as its Chairman. The other members of the committee are Mr.A.Dhanania and Mr. T. Chowdhury, who are non-executive Directors and each one of them is adequately versed in finance & matters relating to Company Law and Accounts.

The terms of reference of the Audit Committee includes :

- to consider & receive all financial statement and pre-publication Announcements before the same is placed before a meeting of the board of director;
- to ensure compliance of internal control system and actions taken of internal Audit Report;
- to hold periodic discussions with Auditors on the scope and content of Audit;
- to consider and review company's risk management policy;
- to appraise Board on the impact of Accounting policies, Audit Standards and legislation's;

Meeting & attendance during the year

Name of Directors	Category	No of Board Meetings	
		Held during tenure	Attended
Mr. M.Kumar Thakur (Chairman)	Non Executive & Independent	5	5
Mr. T.Chowdhury	Non Executive & Independent	5	3
Mr. A. Dhanania	Non Executive & Independent	5	3

Five Meetings of the Audit Committee were held during the financial year ended 31st March 2008. The dates on which the Audit Committee meetings were held are as follows: 28th April 2007, 28th July 2007, 16th August 2007, 27th October 2007, 28th January 2008.

6. SHARE TRANSFER COMMITTEE / INVESTORS GRIEVANCE COMMITTEE

The Board has constituted a Share transfer Committee to deal with the request for transfer/ transmission/ duplicate issue of shares in due Compliance with the provisions of the companies Act, 1956, and the listing Agreements. The members of the committee are Mr.T.Chowdhury (Chairman) and Mr. A. Dhanania. During the year the committee met on 12 occasions on 28.04.2007, 30.05.2007, 30.06.2007, 28.07.2007, 30.08.2007, 29.09.2007, 29.10.2007, 30.11.2007, 29.12.2007, 29.01.2008, 28.02.2008, 30.03.2008. Instead of appointing a separate committee for dealing with the shareholders/investors grievance, the same Share Transfer Committee has been assigned the responsibility of attending to Shareholders / Investors grievance also.

All valid transfer requests received by the company as the same are concerned with shares in physical mode were duly transferred / transmitted within 30 days from the date of receipt while in case of requests for dematerialization are dealt within 15 days from the date of receipt.

7. REMUNERATION COMMITTEE

The remuneration committee comprises of two members namely Mr. A.Dhanania & Mrs. Kavita Saraogi. During the period the committee has meet once on 25/08/2007.

Details of Remuneration paid to the Directors :

Name of the Directors	Salary Rs.	Perquisites Rs.	Sitting Fees Rs.	Total Rs.
Mr. Sushil Kumar Saraogi	1,80,000/-	—	—	1,80,000/-
Mr. A.Dhanania	—	—	20,000/-	20,000/-
Mr. T.Chowdhury	—	—	20,000/-	20,000/-
Mr. M.Kumar Thakur	—	—	9,000/-	9,000/-
Mrs Kavita Saraogi	—	—	5,000/-	5,000/-

Sitting fees of Rs.1000/- is payable to Non-Executive Directors for each Meeting of the Board or any committee thereof attended by them.

8. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Mr. J.Tiwari, Company Secretary, has been designated as the compliance officer in terms of Clause 47(a) of the Listing Agreement. The shareholders may send their complaints directly to Mr. J.Tiwari at the below mentioned address :

Mr. J.Tiwari

Company Secretary

Brels Infotech Ltd.

1/1A, Upper Wood Street, Kolkata – 700 017, Phone No. 033- 22814418, Email – brelsinfotech@india.com

9. GENERAL BODY MEETINGS

LOCATION AND TIME OF LAST THREE ANNUAL GENERAL MEETING.

Financial Year Ended on	Date	Time	Venue
30.06.2005	14.12.2005	9.30 A.M.	92, Ballygunj Road, Kolkata – 700 019
30.06.2006	15.12.2006	9.30 A.M.	92, Ballygunj Road, Kolkata – 700 019
31.03.2007	21.09.2007	9.30 A.M.	CD-28, Salt Lake, Sector-1, Kolkata-700064
EOGM	11.02.2008	9.30 A.M.	1/1A, Upper Wood Street, Kolkata-700017

Two Special Resolution were passed during the year but no postal Ballot Resolution has been passed by the Company preceding three years. At present, the company does not have any proposal for postal ballot this year.

10. DISCLOSURES :

- Disclosures on materially related party transaction i.e. transaction of the company of material nature, with its promoters, Directors or the managers, their subsidiaries, relatives etc. that may have potential conflict with the interest of the company, at large :-
The company did not have any related party transaction which may have potential conflict with the interest of the company, at large.
- Details of Non compliance by the company, penalties & strictures imposed on the company by the stock exchange, SEBI or any Statutory Authority, on any matter related to capital market during the last 3 (three) years ended on 31.03.2008 :- **NIL**
- The company duly complied with the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchange.
- Managerial Remuneration of Rs.15,000/- per month aggregating to Rs. 1.80 Lacs was paid to the Managing Director Sri S.K.Saraogi during the period.

11. MEANS OF COMMUNICATION

The Audited Annual Financial Reports and the Directors Report on the performance of the Company are regularly sent by paid post to each and every shareholder as also the notices of all shareholders meetings are sent in due compliance with the provisions of the Companies Act, 1956. Besides, in terms of the provisions under the Listing Agreements with the Stock Exchanges, the other periodic financial results and specific information about the Board meeting, etc are duly published in Local Newspapers, one in English and one in Vernacular.

The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges immediately after the Board takes the same on record.

12. GENERAL SHAREHOLDERS INFORMATION

a) i) Annual General Meeting

Date : Wednesday, 6th August 2008
Time : 9.30 A.M.
Venue : CD-28, Salt Lake, Sector - I, Kolkata – 700 064

- The information as required under clause 49 (vi) of the Listing Agreement relating to the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting are furnished in the notes annexed to the Notice convening the 23rd Annual General Meeting. The Shareholders may kindly refer to the same.

b) FINANCIAL CALENDER 2007-2008

The financial year for the current year was for a period of 12 months from 1st April to 31st March, 2008.

c) DATES OF BOOK CLOSURE

The Share transfer books and Register of Members of the company will remain closed from 31st July 2008 to 6th August 2008, both days inclusive in connection with the Annual General meeting of the Company to be held on 6th August 2008.

d) DIVIDEND PAYMENT DATE

No dividend is recommended for the period ended 31st March 2008.

e) LISTING OF SHARES ON STOCK EXCHANGES

The companies Shares are presently listed on the following Stock Exchanges:-

- i) The Bombay Stock Exchange Ltd Code : 531175
25th Floor P. J. Tower
Dalal Street, Mumbai – 400 001

The Company has remitted the Annual Listing fees upto date to all the Stock Exchange. Demate ISIN No. on NSDL/CDSL for equity shares is INE 606B01022.

f) THE REGISTRAR & SHARE TRANSFER AGENT

In accordance with the SEBI directive vide Circular Nos. D & C/FITTC/CIR-15/2002 dated 27th December, 2002, the Company has appointed the following SEBI registered Agency as the common Registrar and Share Transfer Agent of the Company for both the physical and Dematerialized Segments.

M/S S.K.COMPUTERS
34/1A, Sudhir Chatterjee Road
Kolkata-700 006
Ph – 033-22194815

13. SHARE TRANSFER SYSTEM

Applications for transfer of share in physical mode are received at the office of the Registrar & Share transfer Agents. The Committee of the Board of Directors attend / to Share Transfer formalities once in every month depending on the requirement.

Shares held in dematerialized form are electronically traded in the Depository and the RTA of the company periodically receives from the depository, the details of beneficial holding for them to update their records and to send all corporate communication, etc .Physical shares received for dematerialization are processed and completed within a period of 15 days from the date of receipt provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participant under advice to the shareholders.

14. SHAREHOLDING PATTERN (AS ON 31ST MARCH 2008)

Category	No. of Shareholders	No of Shares	Percentage
PROMOTERS			
Indian Promoters	14	56686438	12.95
Foreign Promoters	—	—	—
Person Acting in Concert	15	270182588	61.73
BODIES CORPORATE			
Banks & Mutual Funds	—	—	—
NRIs/OCRs	106	2058657	0.47
Other Bodies Corporate	299	22416544	5.12
Resident Individuals	11666	86350586	19.73
Others	—	—	—
Total	12100	437694813	100.00

15. DEMATERIALISATION & LIQUIDITY

As on 31st March 2008 about 26.85% shares of the company are in dematerialized form. The shares of the company are permitted to trade only on dematerialized form w.e.f. 25.09.2000.

16. OUTSTANDING GDRS/ADRS/WARRANTS OR CONVERTIBLE INSTRUMENTS :

The company has not issued/pending any GDRs /ADRs /Warrants or any convertible instruments.

DISTRIBUTION OF SHAREHOLDING PATTERN AS ON 31ST MARCH 2008

Category	No of Shareholders	Percentage	No of Shares	Percentage
Upto 500	693	5.73	140018	0.03
501 – 1000	781	6.45	541985	0.12
1001 – 2000	4897	40.47	6732823	1.54
2001 – 3000	1531	12.65	4066971	0.93
3001 – 4000	231	1.91	791712	0.18
4001 – 5000	564	4.66	2371327	0.54
5001 – 10000	1574	13.01	10939845	2.50
10001 - 50000	1477	12.21	29002896	6.63
50001 – 100000	174	1.44	12049675	2.75
100001 and above	178	1.47	371057561	84.78
Total	12100	100.00	437694813	100.00

17. STOCK MARKET DATA

The shares of the company are regularly traded on the BSE. The Annual Data for Trading on BSE are given below :

Month	Face Value	High	Low
	Re.	Re.	Re.
April 2007	1	0.58	0.40
May 2007	1	0.90	0.43
June 2007	1	0.75	0.55
July 2007	1	0.78	0.60
August 2007	1	1.24	0.69
September 2007	1	0.99	0.78
October 2007	1	0.92	0.57
November 2007	1	0.80	0.58
December 2007	1	1.81	0.77
January 2008	1	3.17	1.85
February 2008	1	2.05	1.42
March 2008	1	2.06	0.83

Source: BSE Website

18. INVESTORS CORRESPONDENCE ADDRESS:

M/S BRELS INFOTECH LTD
1/1A, Upper Wood Street,
Kolkata – 700 017

For and on Behalf of the Board
Sushil K Saraogi
(Chairman cum Managing Director)

Date : 1st July 2008
Place : Kolkata

ANNEXURE A2 TO THE DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

1. COMPANY PROFILE

The company was incorporated way back in 1985 for imparting IT & IT enabled services in the country when the use of Computer in the Country was just a new concept with extreme potentiality. The company was formed as a Private Ltd company to obtain the exclusive National Franchisee rights of computer point limited. From a very small private company it has developed into a substantially large educational institution chain in the country, particularly in the under – developed Eastern part of the Country.

Indian Economy has recorded a rapid growth over the last couple of years and with it a large number of companies have expanded their operations ever beyond the national barrier. Such rapid growth of Indian Economy was possible mainly due, to rapid growth of service sector, specially due to exceptional performance of Information Technology (IT and IT enabled services) and this Industry is expected to maintain its growth rate @25% over the next few years. Though in a very smaller way as compared to the overall Indian perspective, 'Brels' is also a partner/performance in this sector by way of developing and supply of Software kits as per the requirements of its customers and supply of Hardware peripherals in a capacity as order suppliers. The company expects a substantial growth of its wing in coming year's alongwith the future growth of the Indian market. With its past experiences in the area of Software application support, there are good chances for the company to attract new customers.

In course of expansion and diversification process, the company has since amalgamated to itself three (3) most viable associate business units of M/s Bossom Exim Pvt. Ltd., M/s DKS Homes Pvt. Ltd. and M/s Business Point Ltd. during the year 2006-07 which resulted in turning around in company's performance.

2. MARKET SCENARIO & INDUSTRY PROSPECT

The new 21st Century has been branded as the age of IT developments. Surprisingly, Indian IT professionals are regarded as the best in today's international market. The Government of India has targeted the export Software and other it products as the Trust Area and many companies have been established to reap benefit of the opportunities present and Brels Infotech with its colourful background cannot be a silent onlooker.

The state government in the Eastern part of the Country has since incorporated computer Education as part of the syllabus in the schools from primary level. Whereas education at the university level have been accepted all over the country. To carry out country's Education policy to its fullest success, the institutions like Brels have an important role to play.

3. RISK AND CONCERNS

Unregulated entry of small time operators having no or little technology base may tarnish the goodwill of the Indian IT industry in the international market. The attention of the central government has already been drawn to such possible threats and the government has already taken necessary regulatory steps to maintain overseas markets and international acceptance of Indian supremacy in IT sector.

4. THREATS

Some of the threats the company could encounter are :

- i) Growing Competition from a member of large market players.
- ii) Timely availability of skilled personnel which has fallen short of the Industry requirements.
- iii) Timely availability of adequate Working Capital, absence of which may affect adversely the effort to generate new business.
- iv) Continued pressure on billing rates due to substantial increase in salary level in the Industry.
- v) Political Instability and policies of the Government.
- vi) Restrictions imposed by foreign countries on their Imports of IT services especially from India.

5. PERFORMANCE AT A GLANCE :

The steady progress of Company's business in Education sector will be high lightened from the relevant details for the last 10 years which are given as under :

(Rs.In Lacs)

YEAR	TURNOVER	NET PROFIT	RESERVE
1999	2033.08	180.00	1318.53
2000	2170.27	48.90	1529.93
2001	1963.02	12.87	1605.20
2002	2289.63	1.73	1471.08
2003	2403.40	36.50	1474.48
2004	2170.15	32.42	1506.52
2005	1635.53	32.62	1537.51
2006	1564.74	(452.70)	1070.77
2007	915.49	(88.86)	1215.16
2008	2068.15	35.74	85.85

6. INTERNAL CONTROL SYSTEM :

The company has a management Audit Team comprised of finance & accounts professionals who visit all the limits of Training Institutions spread all over the country to carry out extensive audit of the units and to ensure that the laid down systems and procedures are followed. The Board of Directors periodically reviews the performances as reported by the Management – Audit team – Management Audit team is independent and directly reported to the board.

7. HUMAN RESOURCES :

Continuous development of knowledge, skill and competencies is imperative in the rapidly changing business environments. Therefore to remain ahead of competitive market, BRELS have designed and implemented a large number of initiatives to build and improve knowledge base and competencies of employees at all levels. This has been because of dedicated and sincere efforts of the trainers and batch heads.

8. INDUSTRIAL RELATION :

Brels has developed a collaborative industrial relation culture based on mutual trust and understanding which is reinforced but continuous exchange of views and effective use of joint fork.

9. CAUTIONARY STATEMENT :

Statements made in the Management Discussion and Analysis describing the Company's Objectives, Expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include global and domestic supply and demand conditions.

For and on Behalf of the Board
Sushil K Saraogi
 (Chairman cum Managing Director)

Date: 1st July 2008
 Place: Kolkata

Managing Director (CEO) and Chief Financial Officer (CFO) Certificate

We, Mr. Sushil K Saraogi, Director and Mr. Vivek Kumar, Chief Financial Officer of Brels Infotech Limited, to the best of our knowledge and belief, certify that:

- 1) We have reviewed the balance sheet as at 31st March, 2008 and Profit & loss Account, and all its schedules and notes on accounts, as well as cash flow statements and the director's report for the year ended on that date.
- 2) Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or does not contain any statement that might be misleading.
- 3) Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report and are in compliance with the existing accounting standards and / or applicable laws and regulations.
- 4) To the best of our knowledge and belief, no transactions entered into by the company during the aforesaid period are fraudulent, illegal or violative of the company's code of conduct.
- 5) We are responsible for establishing and maintaining disclosure controls and procedure and internal controls over financial reporting for the company and, we have
 - i. evaluated the effectiveness of the company's disclosure, controls and procedures over financial reporting; and
 - ii. disclosed in this report any change in company's internal control over financial reporting that occurred during the company's most recent accounting period that may have materially affected, or is reasonably likely to affect, the company's internal control over financial reporting.
- 6) We have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors
 - i. All deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to such deficiencies, if any;
 - ii. Significant changes in internal control during the period covered by this report, if any;
 - iii. All significant changes in internal controls during the period, if any, and that the same have been disclosed in the notes to the financial statements.
 - iv. No instances of significant fraud of which we are aware, involving management or other employees who have significant role in the company's internal controls system.
- 7) We further declare that all board members and senior management personnel have affirmed compliance with the code of conduct (since its adoption) during the period under review.

Date : 1st July, 2008
Place : Kolkata

Chief Financial Officer
Vivek Kumar

Chairman Cum Managing Director
Sushil K. Saraogi

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of M/s. Brels Infotech Ltd.

We have examined the compliance of corporate governance by M/s Brels Infotech Ltd for the period ended on 31st March 2008 as stipulated under clause 49 of the listing Agreement of the said company with Stock Exchanges.

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

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

We state that no investor grievance is pending for a period exceeding one month against the Company as per records, maintained by the Registrar & Share Transfer Agents of the Company.

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

For **PRODIP SARKAR & ASSOCIATES**
Chartered Accountants

Date : 1st July, 2008
Place : Kolkata

(**Prodip Kumar Sarkar**)
Proprietor
Membership No. 050198

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and senior management personnel of the Company. The same has also been posted on the Website. It is further confirmed that all the Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended 31st March, 2008 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

Date : 1st July, 2008
Place : Kolkata

For and on Behalf of the Board
Sushil K Saraogi
(Chairman cum Managing Director)

AUDITOR'S REPORT

TO THE MEMBERS OF BRELS INFOTECH LIMITED

1. We have audited the attached Balance Sheet of M/S. **BRELS INFOTECH LIMITED** ("The **Company**") as at 31st March, 2008 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956; we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above , we report that :
 - I. 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;
 - II. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - III. the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
 - IV. in our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - V. on the basis of written representations received from the directors, as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - VI. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008; and
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on the date.
 - c) In case of the Cash Flow Statement of the Cash flows for the year ended on that date.

For **PRODIP SARKAR & ASSOCIATES**
Chartered Accountants

Dated : 1st day of July, 2008
Place : Kolkata

Prodip Kumar Sarkar
Proprietor
Membership No.050198

(Referred to in paragraph 3 of the our report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Fixed Assets.
- (b) According to the information and explanations given to us, the fixed assets were physically verified during the year by the management in accordance with the programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of account.
- (c) There was no disposal of a substantial part of fixed assets.
- ii) (a) The Company has conducted physical verification of inventory at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) (a) The Company has not granted loans to the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a), (b), (c) and (d) of clause 4(iii) are not applicable to the Company.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 4(iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- v) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Companies Act that need to be entered into the register maintained under the said section and hence clause (v) (b) is not applicable.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4 (vi) of the Order are not applicable to the Company.

- vii) During the period under audit, as per the comment of the Management, the Company has adequate in-house audit system considering the turnover and the nature of its business.
- viii) In our opinion, the Central Government has not prescribed maintenance of cost records under Clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for products of the Company.
- ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, value added tax and other statutory dues applicable to it, and there were no arrears of such dues as provisions made at the year-end which have remained outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax and other statutory dues applicable to it, which have not been deposited on account of any dispute.
- x) The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank or financial institutions or debenture holders.
- xii) In our opinion and 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.
- xiii) The provisions of any special statute applicable to chit fund / nidhi /mutual benefit fund/ societies are not applicable to the company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee, for loans taken by others from banks or financial institutions during the year.
- xvi) In our opinion and according to the information and explanations given to us, no term loan has been applied for the purpose for which they were raised.
- xvii) In our opinion and according to the information and explanations given to us, and on an term basis have been used for long-term investment.

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- xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures and accordingly this clause is not applicable.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **PRODIP SARKAR & ASSOCIATES**
Chartered Accountants

Dated : 1st day of July, 2008
Place : Kolkata

Prodip Kumar Sarkar
Proprietor
Membership No.050198

BRELS INFOTECH LTD.
BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2008

(Rs. In Lacs)

PARTICULARS :	Schedule	As at 31.03.08 (Rs.)	As at 31.03.07 (Rs.)
SOURCES OF FUNDS :			
Shareholders' Funds			
Share Capital	1	4,376.95	3,183.24
Reserves and Surplus	2	85.85	1,215.16
Loan Funds			
Secured Loans	3	10.92	10.92
Unsecured Loans		-	4.00
Deferred Tax Liabilities (Net)	4	<u>181.58</u>	183.42
		<u>4,655.30</u>	<u>4,596.74</u>
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	5	1,144.73	3,165.07
Less : Depreciation		<u>217.74</u>	<u>1,856.19</u>
Net Block		926.99	1,308.88
Investments	6	898.35	303.00
Current Assets, Loans & Advances			
Inventories	7	1,031.47	1,031.47
Sundry Debtors	8	1,162.06	1,394.23
Cash & Bank Balances	9	14.19	9.33
Loans & Advances	10	<u>790.99</u>	<u>698.75</u>
		2,998.71	3,133.78
Less: Current Liabilities & Provisions			
Current Liabilities	11	167.86	149.28
Provisions	12	<u>11.93</u>	<u>7.99</u>
		179.79	157.27
Net Current Assets		2,818.92	2,976.51
Miscellaneous Expenditure	13	11.04	8.35
(To the Extent not Written or Adjusted)			
		<u>4,655.30</u>	<u>4,596.74</u>
Accounting Policy & Notes to the Accounts	18		
Balance Sheet Abstract & General Business Profile	19		

The Schedules referred to the above form an integral part of the Balance Sheet of the Company.
 In terms of our report of even date attached

For Prodip Sarkar & Associates
 Chartered Accountants

Prodip Kumar Sarkar
 Proprietor
 Membership No. 050198

For and on behalf of the Board

Sushil K Saraogi Chairman cum
 Managing Director
A.Dhanania Director
J.Tiwari Company Secretary

Place : Kolkata
 Dated : 1st July, 2008

BRELS INFOTECH LTD.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2008

(Rs. In Lacs)

PARTICULARS :	Schedule	As at 31.03.08 (Rs.)	As at 31.03.07 (Rs.)
INCOME			
Sales		1,444.20	636.03
Education Incomes & Services		623.95	279.28
Other Incomes (Net)	14	-	0.18
	TOTAL "A"	<u>2,068.15</u>	<u>915.49</u>
EXPENDITURE			
Cost of Sales	15	1,430.90	621.95
Operating Expenses	16	181.34	112.05
Administrative Expenses	17	30.35	17.02
Depreciation		386.50	251.23
Preliminary Exp. W/O		3.31	2.11
Loss on Sale of Fixed Assets		0.01	-
	TOTAL "B"	<u>2,032.41</u>	<u>1,004.36</u>
Net Profit/(Loss) before Tax (A - B)		35.74	(88.86)
Less : Income Tax for the year		3.68	6.67
Fringe Benefit Tax		0.68	0.51
Add: Deferred Tax Assets		1.84	31.18
Net Profit/(Loss) after Tax		33.22	(127.22)
Profit/(Loss) C/F from previous year		362.82	490.03
Less : Earlier Year Deferred Tax		152.13	-
		<u>243.91</u>	<u>362.82</u>
APPROPRIATIONS			
a) Bonus Shares Issued during the Year		158.06	-
b) Balance Carried to Balance Sheet		85.85	362.82
		<u>243.91</u>	<u>362.82</u>
Earning per shares-Basic and Diluted (Rs.) (Refer Note, Schedule 18)		0.008	(0.04)
Accounting Policy & Notes			
to the Accounts	18		
General Business Profile	19		

The Schedules referred to the above form an integral part of the Profit & Loss Account of the Company.

As per our Report of even date

For **Prodip Sarkar & Associates**
Chartered Accountants

Prodip Kumar Sarkar
Proprietor

Membership No. 050198

For and on behalf of the Board

Sushil K Saraogi Chairman cum
Managing Director

A.Dhanania Director
J.Tiwari Company Secretary

Place : Kolkata
Dated : 1st July, 2008

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET
AND PROFIT & LOSS A/C. AS FOR THE YEAR ENDED ON 31ST MARCH, 2008**

(Rs. In Lacs)

	As at 31.03.08 Rs.	As at 31.03.07 Rs.
SCHEDULE - 1 : SHARE CAPITAL :		
AUTHORISED CAPITAL :		
45,00,00,000 Equity Shares of Rs. 1/- each	4,500.00	3,300.00
(Prev. year 33,00,00,000 Equity Shares of Rs. 1/- each)	<u>4,500.00</u>	<u>3,300.00</u>
ISSUED SUBSCRIBED AND PAID-UP :		
43,76,94,813 Equity Shares of Rs. 1/- each fully paid-up.	4,376.95	3,183.24
(Prev. year 31,83,23,500 Equity Shares of Rs. 1/- each)		
Notes :-		
(Out of the above shares 11,93,71,313 Equity Shares of Re.1/- each were issued as fully paid up Bonus Shares by Capitalisation of free reserves)	<u>4,376.95</u>	<u>3,183.24</u>
SCHEDULE - 2 : RESERVES & SURPLUS :		
a) SECURITIES PREMIUM :		
At the commencement of the Year	592.50	592.50
Less : Adjusted against the Bonus Shares	<u>592.50</u>	-
At the end of the Year	-	592.50
b) CAPITAL RESERVE:		
At the commencement of the Year	305.50	140.37
Less : Adjusted against the Bonus Shares	<u>305.50</u>	165.13
At the end of the Year	-	305.50
c) AMALAGAMATION RESERVE :		
At the commencement of the Year	137.66	-
Less : Adjusted against the Bonus Shares	<u>137.66</u>	137.66
At the end of the Year	-	137.66
d) PROFIT & LOSS ACCOUNT :		
As per last year	179.50	337.90
Add : Profit/(Loss) for the year	33.23	(127.22)
	212.73	210.68
Add/(Less) : Adjustment for Deferred Tax	31.18	31.18
	243.91	179.50
Less : Adjusted against the Bonus Shares	158.06	-
Total	<u>85.85</u>	<u>179.50</u>
Total (a+b+c+d)	<u>85.85</u>	<u>1,215.16</u>

BRELS INFOTECH LTD.

**SCHEDULE - 5 :
FIXED ASSETS**

(Rs. in Lacs)

DESCRIPTIONS OF ASSETS	Rate	GROSS BLOCK					DEPRECIATION				NET BLOCK	
		As at 31.03.07	Acquisition by Schemes of Amalgamation	Additions during the Year	Sold	As at 31.03.08	Up-to 31.03.07	For the Year	Written Off	Up - to 31.03.08	As at 31.03.08	As at 31.03.07
Computers	16.21%	2,348.13	-	300.00	1,563.00	1,085.13	1,097.59	382.72	1,267.63	212.69	872.44	1,250.54
Office Equipments	18.10%	236.43	-	-	236.43	0.00	236.42	-	236.42	0.00	0.00	0.01
Furniture & Fixture	6.33%	580.51	-	-	520.91	59.60	522.18	3.77	520.90	5.05	54.55	58.33
GRAND TOTAL		3,165.07	-	300.00	2,320.34	1,144.73	1,856.19	386.50	2,024.95	217.74	926.98	1,308.88
PREVIOUS YEAR :		2,320.34	544.73	300.00	-	3,165.07	1,604.96	251.23	-	1,856.19	1,308.88	715.38

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET
AND PROFIT & LOSS A/C. AS FOR THE YEAR ENDED ON 31ST MARCH, 2008**

(Rs. In Lacs)

	As at 31.03.08 Rs.	As at 31.03.07 Rs.
SCHEDULE - 3 : LOAN FUNDS		
A. Secured Loans		
From LIC	10.92	10.92
(Secured against Policy of Keyman of the Company)		
Total 'A'	<u>10.92</u>	<u>10.92</u>
B. Unsecured Loans		
From Bodies Corporate		
Unsecured	-	4.00
Total 'B'	-	4.00
Total (A + B)	<u>10.92</u>	<u>14.92</u>
SCHEDULE - 4 : DEFERRED TAX		
Timing Difference in opening WDV	183.42	152.24
Adjustment on account of Current Depreciation	(1.84)	31.18
	<u>181.58</u>	<u>183.42</u>
SCHEDULE - 6 : INVESTMENTS		
Long Term Investments		
At Cost (Equity Shares Fully Paid Up)	898.35	303.00
Other than Trade - Unquoted	<u>898.35</u>	<u>303.00</u>
List as per Annexure		
SCHEDULE - 7 : INVENTORIES		
(at cost value as verified, valued and certified by the management)		
Work in Progress	1,031.47	1,031.47
	<u>1,031.47</u>	<u>1,031.47</u>
SCHEDULE - 8 : SUNDRY DEBTORS		
(Unsecured, Considered Good unless otherwise stated)		
a) Over Six Months	885.81	1,080.98
b) Others	276.25	313.25
	<u>1,162.06</u>	<u>1,394.20</u>
	<u>1,162.06</u>	<u>1,394.20</u>
SCHEDULE - 9 : CASH & BANK BALANCES		
Cash in hand (As certified by the Management)	7.03	3.02
Balances with the scheduled Bank	7.16	6.31
	<u>14.19</u>	<u>9.33</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET
AND PROFIT & LOSS A/C. AS FOR THE YEAR ENDED ON 31ST MARCH, 2008**

(Rs. In Lacs)

	As at 31.03.08 Rs.	As at 31.03.07 Rs.
SCHEDULE - 10 : LOANS AND ADVANCES		
(Unsecured Considered Good unless otherwise stated)		
LOANS		
Loan to Others	75.91	75.91
Total A	<u>75.91</u>	<u>75.91</u>
ADVANCES		
(Advances Recoverable in Cash or in kind or for value to be received or pending adjustment)		
Security Deposit for Outstation Centres	13.87	13.87
Security Deposit for Electricity	0.10	0.10
Security Deposit for Telephone	0.13	0.13
Deposit with Others	0.18	-
Advance for Income Tax	7.06	-
Advance to Suppliers	129.52	129.52
Advance against Office Accommodation	153.50	69.00
Advance for Fringe Benefit Tax	1.00	0.50
Advance for Security Deposits	400.00	400.00
Tax deducted at source	9.72	9.72
Total B	<u>715.08</u>	<u>622.84</u>
Total A+B	<u>790.99</u>	<u>698.75</u>
SCHEDULE 11 : CURRENT LIABILITIES		
Sundry Creditors (for services & goods)	125.10	149.28
Advance from party	42.76	-
	<u>167.86</u>	<u>149.28</u>
SCHEDULE 12 : PROVISIONS		
Provision For Income Tax	10.52	6.84
Provision For Fringe Benefit Tax	1.23	0.55
Provision For VAT	-	0.60
Provision for Gratuity	0.18	-
	<u>11.93</u>	<u>7.99</u>
SCHEDULE 13 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Opening Balance	8.35	-
Fees for the Increase in Authorised Capital	6.00	10.46
Less: Written Off during the year	3.31	2.11
	<u>11.04</u>	<u>8.35</u>
SCHEDULE 14 : OTHER INCOME		
Bank Interest on FD (TDS Rs. Nil P.Y. Rs. 4456/-)	-	0.18
	-	0.18

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET
AND PROFIT & LOSS A/C. AS FOR THE YEAR ENDED ON 31ST MARCH, 2008**

(Rs. In Lacs)

	As at 31.03.08 Rs.	As at 31.03.07 Rs.
SCHEDULE 15 : COST OF SALES		
Opening Stock	-	20.10
Add : Purchases	1,430.90	601.85
	1,430.90	621.95
Less : Closing Stock	-	-
	1,430.90	621.95
SCHEDULE - 16 : OPERATING EXPENSES		
Establishment Expenses	100.37	73.49
Travelling & Conveyance	7.75	4.42
Printing & Stationery	17.10	9.38
Rent	8.10	4.57
Electricity	3.92	2.03
Courseware & Training Material	43.46	18.16
Income Tax for Earlier Year	0.64	-
	181.34	112.05
SCHEDULE - 17 : ADMINISTRATIVE EXPENSES		
General Expenses	15.24	8.87
Telephone Expenses	1.55	0.36
Maintenance Expenses	4.90	1.73
Director's Remuneration	1.80	1.35
Director's Sitting Fees	0.56	0.47
Rates & Taxes	1.25	0.94
Transportation & courier Charges	2.25	1.57
<u>Auditors Remuneration paid to Auditor</u>		
i) Audit Fees for Statutory	0.32	0.32
ii) Audit Fees Tax Audit	0.05	0.05
iii) Certificate Charges	0.05	0.05
iv) Out of Pocket Expenses	0.05	0.05
Advertisement	0.55	0.38
Sales Promotion	0.96	0.54
Professional Charges	0.82	0.34
	30.35	17.02

SCHEDULE "18" – NOTES TO ACCOUNTS

A. Significant Accounting Policies

1. Basis of Preparation :

The financial statements are prepared under the historical cost convention and the requirements of the Companies Act, 1956.

2. Use of Estimates :

The preparation of financial statements requires the management of the company to make estimates and assumption that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amount of incomes and expenses during the year. Examples of such estimates includes provisions for doubtful debts, employees retirement benefit plan, Provision for Income Taxes, accounting for contract cost expected to be incurred to complete the software development and the useful lives of fixed assets.

3. Fixed Assets :

Fixed Assets are stated at Cost, less accumulated depreciation. Cost includes expenditure incurred to bring the assets to its present location and condition.

4. Depreciation :

Depreciation is provided under Straight Line methods at the rates prescribed under Schedule XIV of the Companies Act, 1956 except for assets of less than Rs.5,000/- which are fully depreciated in the year of acquisition.

5. Investments :

Investments, being long-term investments, in shares are unquoted and stated at cost, unless there is other than temporary decline in the value thereof. Whereas some of shares have been send for transfer during the period of our Audit.

6. Retirement Benefits :

Contributions to defined contribution retirement benefit schemes are recognized as expenses when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected United Credit Methods, with actuarial valuations being carried out at each balance sheet date, Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur, Past service cost is recognised immediately to the extent that the benefit are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

7. Revenue Recognition :

- a. Education & Training Income has been recognized at the time of the enrollment for courses and training programs.
- b. Sales are recognized on dispatch to customer.
- c. Items of Income and Expenditure are recognised on accrual and prudent basis.

8. Taxation:

Provision for Taxation is made on the basis of the taxable profits computed for the current accounting period (reporting period) in accordance with the Income Tax Act, 1961.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is

convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. Deferred Tax expenses or benefit is recognized on timing difference being the difference between books accounting income and taxable income that originated in one period and are capable of reversal in one or more subsequent period. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the balance sheet date. Fringe Benefits Tax (FBT) payable under the provisions of Section 115WC of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Fringe Benefits Tax issued by the ICAI regarded as an additional income tax and considered in determination of the profits for the year.

9. Inventory Valuation

Inventories are carried at lower of cost and net realizable value. Cost is determined on a weighted average basis. Work-in-progress is carried at lower of cost or net realisable value. Finished goods are carried at lower of cost and net realisable value.

10. Contingent Liabilities:

Contingent Liabilities are not provided but disclosed by way of notes under Notes to the Accounts.

11. Earning per Share :

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or losses for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

12. General :

Accounting Policies not specially referred to are consistent with the generally accepted accounting practices.

13. In view of current year figures appearing in this account are not comparable with the previous year figures as comprised of 9 months.

B. Notes to the Accounts :-

	31.03.2008	31.03.2007
	Rs. Nil	Rs. Nil
1. Capital Commitments :		
2. Contingent Liability :		
a. Interest on Loan from Financial Institution	Not Ascertained	Not Ascertained
b. If demand by Income Tax (Pending Appeal)	Nil	Nil
c. Guarantees given by Company (if any)	Nil	Nil
d. Estimated amount of Royalty, Payable in Future year (if any)	Nil	Nil
3. Stock have not been verified and valued by us, the same has been taken in books, physically verified, certified and confirmed by the Management of the Company.		
4. The Company makes annual contributions to the Employee's Group Gratuity Assurance Scheme administered by the LIC, a funded defined plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of services or part thereof in excess of six months. Vesting occurs on completion of five years of service.		
5. Particulars in respect of goods traded as per information required by Part II of Schedule VI have been furnished hereunder :-		

A. DETAILS OF GOODS TRADED :-

Items	Particulars	31.03.2008		31.03.2007	
		Qty. (In Nos.)	Value (In Lacs)	Qty. (In Nos.)	Value (In Lacs)
Computer & Pheripherals etc.	Opening Stock	—	—	61	20.10
	Purchases	6663	1430.90	2611	601.85
	Sales	6663	1440.20	2672	636.03
	Closing Stock	—	—	—	—

6. Income Tax has been provided according to tax liabilities determined as per the financial statements prepared as at 31st March, 2008.
7. No creditor of the Company has informed the company of their status being SSI Units.
8. There are no Micro, Small and Medium Enterprise to whom the Company owes dues which are outstanding for more than 45 days at the Balance Sheet date.
9. The management has certified that same as above there are no other matter or claims involving the company and for which liabilities may arise at present or in future and/or which may otherwise require any disclosure on the face of the accounts and/or in auditors report etc.
10. Earnings per share are computed in accordance with Accounting Standard-20 issued by the Institute of Chartered Accountants of India.

	2008-2009 (Rs. In Lacs)	2007-2008 (Rs. In Lacs)
a) Profit after Tax as per Accounts	33.22	(127.22)
b) Weighted Average of Shares Outstanding during the period	43,76,94,813	31,83,23,500
c) Earnings Per Share	0.008	(0.04)

2. (a) Earning in Foreign Exchange Rs. Nil
(b) Expenditure in Foreign Currency Rs. Nil
3. During the year liability for FBT Rs. 18,370/- is remain unpaid till date.
4. The remuneration paid to the Managing Director during the period is Rs.1.80 Lacs (P.Y. Rs.1.44 Lacs). Remuneration paid is well within the limits prescribed under schedule XIII of the Companies Act, 1956.
5. Related Party Disclosures as required by Accounting Standard (AS-18) issued by the Institute of Chartered Accountants of India, are given below :

A. Particulars of Related Parties :

Subsidiary Companies	:	NIL
Associate Companies	:	NIL
Enterprises in which key Management personnel have significant influence:		NIL

B. Key Management Personnel:

1. Mr. Sushil K Saraogi : Chairman cum Managing Director
2. Mr. Vivek Kumar : Chief Financial Officer

C. Relatives of Key Management personnel:

During the year the company does not entered any transaction with the key relative of the Management personnel.

6. Previous figures have been regrouped / rearranged wherever considered necessary.

For **PRODIP SARKAR & ASSOCIATES**
CHARTERED ACCOUNTANTS
Prodip Kumar Sarkar
 Proprietor
 Membership No.050198

For and on behalf of the Board
Sushil K Saraogi - Director
A.Dhanania - Director
J.Tiwari - Company Secretary

Place : Kolkata
 Dated : 1st day of July, 2008

**19. INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :**

I. REGISTRATION DETAILS :

Registration No.	038686	State Code	21
Balance Sheet Date	31.03.2008		

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Lacs)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	1,193.71	Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Lacs)

Total Liabilities	4835.09	Total Assets	4835.09
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Source of Funds :

Paid-up Capital	4376.95	Reserve & Surplus	85.85
Secured Loan	10.92	Unsecured Loan	Nil
Share Application Money	Nil	Deferred Tax	181.58

Application Of Funds :

Net Fixed Assets	926.99	Investments	898.35
Net Current Assets	2818.92	Miscellaneous Expenditure	11.04

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Lacs)

Turnover	2068.15	Total Expenditure	2032.41
Profit for the year	35.74	Profit after Tax	33.22
Earnings Per Share in Rs.	0.008	Dividend rate %	Nil

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE CO.
(AS PER MONETARY TERMS)**

Product / Services Descriptions	Items Code No. (ITC Code)
Computer Software	8524510010
Computer Training & Education	N.A.

For Prodip Sarkar & Associates
Chartered Accountants

Prodip Kumar Sarkar
Proprietor
Membership No. 050198

For and on behalf on the Board

Brels Infotech Limited

Sushil K. Saraogi - *Chairman cum Managing Director*

A.Dhanania - *Director*

J.Tiwari - *Company Secretary*

Place : Kolkata

Dated : 1st July, 2008

CASH FLOW STATEMENT FOR THE PERIOD ENDED 2007-2008

	(Rs. In Lacs)	
	Current Period ended 31.03.08	Previous Year ended 31.03.07
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxes & extraordinary items	35.74	(88.86)
Adjustment for :		
Depreciation	386.50	251.23
Loss on sale of Assets	0.01	-
Interest/Dividend	-	(0.18)
Provision for Gratuity	0.18	-
Misc. Exp. Written off	<u>3.31</u>	<u>2.11</u>
	425.74	253.16
Operating Profit before working Capital Changes		164.30
Adjustment for :		
Sundry Debtor	232.17	254.02
Loans & Advances	(51.99)	(76.36)
Inventories	-	20.10
Trade Payables	<u>18.58</u>	<u>114.88</u>
	198.76	312.64
Cash Generated from Operations :	624.50	476.94
Interest Paid	-	
Direct Taxes Paid	<u>(7.76)</u>	<u>(2.17)</u>
Cash Flow before Extra Ordinary Items		(2.17)
Less Extra Ordinary Items	-	-
Net Cash Flow from Operating Activities	<u>616.74</u>	<u>474.77</u>
B. Cash Flow Investing Activities :		
Purchase of Fixed Assets	(300.00)	(300.00)
Purchase for Investments	(595.35)	(72.40)
Payment towards VAT	(1.18)	-
Sale of Fixed Assets	295.38	-
Payment of FBT Tax	(0.73)	-
Interest/ Dividend Received	-	0.18
Misc. Exp. For Share Issue	<u>(6.00)</u>	<u>(10.46)</u>
Net Cash used in Investing Activities	<u>(607.88)</u>	<u>(382.68)</u>
C. Cash Flow from Financing Activities :		
Grant		
Payment of Long Term Loan	-	(84.50)
Payment of Unsecured Loan	(4.00)	-
Net Cash used in Financial Activities	<u>(4.00)</u>	<u>(84.50)</u>
Net Increase/Decrease in Cash & Cash Equivalent		
Cash & Cash Equivalent (Opening)	9.33	1.61
Add: Cash and Cash equivalents acquired pursuant to Scheme of Amalgamation	-	0.13
Cash & Cash Equivalent (Ending)	14.19	9.33

For Prodip Sarkar & Associates
Chartered Accountants

Prodip Kumar Sarkar
Proprietor
Membership No. 050198

Place : Kolkata
Dated : 1st July, 2008

For and on behalf on the Board
Brels Infotech Limited
Sushil K. Saraogi - Chairman cum Managing Director

A. Bhanania - Director
J. Tiwari - Company Secretary

BRELS INTOETCH LIMITED
Registered Office : 1/1A, Upper Wood Street, Kolkata-700 017

PROXY FORM

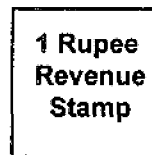
Reg. Folio No	
No Of Shares held	

* DP ID	
Clint ID	

I/ We of
 in the district of
 Being a Member / Members of the above named Company hereby appoint
 of
 In the district of or failing him
 of in the district of
 as my / our proxy to attend and vote for me/ us on my /our behalf at the 23rd Annual General Meeting of the Company
 to be held at CD-28, Salt Lake, Sector-I, Kolkata-700 064 on Wednesday, the 6th August, 2008.

Signed this day of 2008

Signature _____



* Applicable for investors holding in electronic form.

Note : The proxy in order to be effective should be duly stamped, completed and signed must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the meeting.

BRELS INTOETCH LIMITED
Registered Office : 1/1A, Upper Wood Street, Kolkata-700 017

ATTENDANCE SLIP

23rd Annual General Meeting on Wednesday, the 6th August, 2008

Reg. Folio No	
No Of Shares held	

* DP ID	
Clint ID	

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 23rd Annual General Meeting of the Company to be held at CD-28, Salt Lake, Sector-I, Kolkata-700 064 on Wednesday, the 6th August, 2008.

.....
Member's / Proxy's Name in BLOCK Letters

.....
Member's / Proxy's Signature