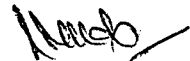


# INDIAN INFOTECH & SOFTWARE LIMITED

CERTIFIED TO BE TRUE COPY

FOR INDIAN INFOTECH AND SOFTWARE LTD.



DIRECTOR.

27<sup>th</sup> Annual Report  
31<sup>st</sup> March, 2009

**DIRECTORS**

K. L. MUNDRA, Managing Director  
N. K. PAREEK  
G. K. JOSHI  
K. P. PATIL  
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-SEVENTH 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 Tuesday, 29<sup>th</sup> September 2009 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, 2009 and Balance Sheet as at that date, Cash Flow statement for the year ended 31<sup>st</sup> March, 2009 and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G. K. Joshi, 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. H. P. Biyani & Co., Chartered Accountants, as Statutory Auditor of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**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 2009. The Company will not be in a position to act upon any document, which is incomplete or received after 22<sup>nd</sup> September 2009.
4. The Register of Members and the Share Transfer Book of the Company will remain closed from 22<sup>nd</sup> September 2009 to 29<sup>th</sup> September 2009 (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.

**FOR AND ON BEHALF OF THE BOARD**

**PLACE ; MUMBAI  
DATE : SEPTEMBER 4, 2009**

**Sd/-  
K. L. MUNDRA  
MANAGING DIRECTOR**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

India has made significant progress in Computer Education and is reckoned as a leader in this field. There is vast scope in this area and business.

### **OUTLOOK, OPPORTUNITIES AND THREATS**

During the year under report the Company had accelerated Consultancy Business and is hopeful that its income from Consultancy, Training, Computer Education etc. will further grow in coming years.

### **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. 13,28,122/- as against Rs. 27,26,204/- in the year ended 31<sup>st</sup> March 2008. The profit before tax was Rs. 25,117/- as against the profit of Rs. 3,56,678/- in the year ended 31<sup>st</sup> March, 2008. The net Profit after tax during the year was Rs. 70,898/- as against profit of Rs. 4,54,942/- in the year ended 31<sup>st</sup> March, 2008.

### **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.

FOR AND ON BEHALF OF THE BOARD

Sd/-

K. L. MUNDRA  
MANAGING DIRECTOR

PLACE ; MUMBAI

DATE : SEPTEMBER 4, 2009

**DIRECTORS' REPORT**

The Directors have pleasure in presenting their TWENTY-SEVENTH ANNUAL REPORT on the business and operations of the Company for the year ended 31<sup>st</sup> March, 2009.

**1. FINANCIAL RESULTS :**

(Rs. In Lacs)

	31st March, 2009	31st March, 2008
Income from sales & Other Sources	13.28	27.26
Depreciation	0.67	1.07
Net Profit/ (Loss) before Taxation	0.25	3.57
Provision for Taxation	0.23	(0.20)
Excess Provision for Income Tax ( written back)	-	0.88
Deferred Taxatin	0.69	0.30
Profit/ (Loss) after Taxation	0.71	4.55

**2. DIVIDEND :**

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

**3. DIRECTORS :**

Shri G. K. Joshi, 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.

**4. OPERATIONS :**

During the year under Report the Company has earned an income of Rs. 13,28,122/- as against Rs. 27,26,204/- in the year ended 31<sup>st</sup> March 2008. The profit before tax was Rs. 25,117/- as against the profit of Rs. 3,56,678/- in the year ended 31<sup>st</sup> March, 2008. The net Profit after tax during the year was Rs.70,898/- as against profit of Rs. 4,54,942/- in the year ended 31<sup>st</sup> March, 2008.

**5. AUDITOR'S REPORT :**

As regards Auditors observations in para 6 of the Auditors Report, the Directors are of the opinion that para 2 and 3 of the Notes to the Accounts given in "Schedule M" are self explanatory. As regards confirmation from debtors, creditors are concerned, the reconciliation of Accounts is a on going process and no material discrepancy has been found. As regards non-provision against doubtful debts, the provision @ 5 % on the doubtful debts of Rs. 82,09,185/- amounting to Rs. 4,10,459/- has been made in the Accounts and Directors are constantly reviewing the debts considered as doubtful.

**6. PARTICULARS OF EMPLOYEES :**

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

**7. 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.

**8. 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.

**FOR AND ON BEHALF OF THE BOARD**

**PLACE ; MUMBAI**  
**DATE : SEPTEMBER 4, 2009**

**Sd/-**  
**K. L. MUNDRA**  
**MANAGING DIRECTOR**

### **ANNEXURE TO THE DIRECTOR'S REPORT**

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

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

**FOR AND ON BEHALF OF THE BOARD**

**PLACE ; MUMBAI**  
**DATE : SEPTEMBER 4, 2009**

**Sd/-**  
**K. L. MUNDRA**  
**MANAGING 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 2008-09 based on the disclosure requirement under Clause 49 of the Listing Agreement existing as on 31<sup>st</sup> March 2009.

### 2. Board of Directors:

The Board is headed by Shri. K. L. Mundra, Executive Chairman, and comprised of majority of Non-Executive Independent Directors. The Board is properly constituted as per Clause 49 of the Listing Agreement. The Composition of Board of Directors is as under –

Name of Director	Category	No. of Board Meetings attended during 08-09	Whether Attended last AGM	*No of Other Directorship	# No of Member-ship of other Comm.	Chairmanship of other Comm.
Shri K. L. Mundra	Executive Chairman and Managing Director.	4	Yes	2	Nil	Nil
Shri. N. K. Pareek	Non Executive Director	4	Yes	1	Nil	Nil
Shri. G. K. Joshi	Independent Director	4	Yes	3	3	2
Shri K. P. Patil	Independent Director	4	Yes	1	1	Nil
Shri Surendra Rao	Independent Director	4	Yes	Nil	Nil	Nil
Shri. R. M. Khandelwal	Non- Executive Director	4	No	2	2	Nil

(details are as on 31st March, 2009)

\* 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, 2009, 4(Four) Meetings of the Board of Directors were held as on 30/04/2008, 29/07/2008, 23/10/2008 and 29/01/2009.

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 Ghanshyam K. Joshi
Designation	:	Independent Director
Age	:	65 years
Qualification	:	Inter-Science from Mumbai University
Experience	:	37 years of experience in Business.
Other Directorship	:	M/s Tecil Chemicals & Hydro Power Ltd. M/s Chemo Pharma Laboratories Ltd. M/s Citric India Ltd.

**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 consists of Shri. G. K. Joshi, as the Chairman, Shri R.M. Khandelwal and Shri. K. P. Patil as Member of the Audit Committee.

1. Shri G.K Joshi	Chairman
2. Shri R. M. Khandelwal	Member
3. Shri K. P. Patil	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 2008-09 under review 4(Four) meetings of the Audit Committee were held, on 30/04/2008, 29/07/2008, 23/10/2008, and 29/01/2009. The attendance of members are as follows:

Name	Category	Meetings during the Year 2008-09	
		Held	Attended
Shri G. K. Joshi	Chairman	4	4
Shri R. M. Khandelwal	Member	4	4
Shri K. P. Patil	Member	4	4



**(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., an
- g) To delegate all or any of its power of Officers / Authorized Signatories of the Company.

**(ii) Composition**

The Shareholder Grievance Committee consists of Shri G.K. Joshi, as the Chairman, Shri. R.M. Khandelwal and Shri. K.P. Patil as Member of the Shareholders Grievance Committee.

1. Shri G.K.Joshi	Chairman
2. Shri R. M. Khandelwal	Member
3. Shri K. P. Patil	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 4(Four) times during the 2008-09 on 30/04/2008, 29/07/2008, 23/10/2008, and 29/01/2009. The attendances of the members are as follows:

Name	Category	Meetings during the Year 2008-09	
		Held	Attended
Shri G. K. Joshi	Chairman	4	4
Shri R. M. Khandelwal	Member	4	4
Shri K. P. Patil	Member	4	4

**\* 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:**

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

Financial Year	Date	Time	Location
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.
2005-2006	28/09/2006	11.00 A.M.	At Regd. Office, Mumbai.

- (a) Whether Special Resolutions were put through postal ballot last year : No  
(B) 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 K. L. Mundra, Managing Director on the financial statements of the Company was placed before the Board, as required by Clause 49(V) of the Listing Agreement.

**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 : Business Standard & Mumbai Lakshdeep.**

**(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 2009, Tuesday 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, 2009 : End July, 2009  
 Unaudited Results for quarter ending September 30, 2009 : End October, 2009  
 Unaudited Results for quarter ending December 31, 2008 : End January, 2010  
 Unaudited Results for year ending March 31, 2010 : End April, 2010  
 AGM for year ending March 31, 2010 : End July, 2010
- (c) **Book Closure period:** Share Transfer Register will be closed from 22<sup>nd</sup> September 2009 to 29<sup>th</sup> September 2009 (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 :**

Presently the trading in shares is suspended. The company has already approached Bombay Stock Exchange (BSE Ltd.) & Ahmedabad Stock Exchange Ltd. for revocation of suspension in trading of shares and compliances for this purpose has been substantially made and the Company's Application for revocation of suspension in trading of shares is pending consideration by the Bombay Stock Exchange Limited & Ahmedabad Stock Exchange Ltd.

- (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:	2	92700
Other cases (like; deletion, transmission, transposition etc.)	Nil	Nil
Total	2	92700

- (i) **Dematerialization of shares and liquidity:** No
- (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, 2009.

(i) Distribution of Shareholding as on 31st March, 2009:

No. of Shares	No. of Shares	%	No. of Shareholders	%
Upto 5000	3,57,411	7.55	1706	81.43
5001-10000	2,00,001	4.22	231	11.03
10001-20000	1,32,148	2.79	83	3.96
20001-30000	83,290	1.76	33	1.58
30001-40000	25,650	0.54	7	0.33
40001-50000	29,650	0.63	6	0.29
50001-100000	46,250	0.98	6	0.29
100001-ABOVE	38,59,400	81.53	23	1.10
<b>Total</b>	<b>47,33,800</b>	<b>100.00</b>	<b>2095</b>	<b>100.00</b>

ii) Shareholding pattern as on 31st March 2009:

	No. of Shares held	% to Total Shares
Promoter Group	2,493,600	52.68
Mutual Funds and UTI	2,25,500	4.76
Banks & Financial institutions & Insurance Companies etc.	-	-
Corporate Bodies	1,02,890	2.17
General Public	19,10,810	40.37
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 published in newspapers and are, therefore, 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, 2009.

**FOR INDIAN INFOTECH & SOFTWARE LTD.**

**Sd/-**

**K. L. MUNDRA**

**MANAGING DIRECTOR**

**PLACE: MUMBAI**

**DATE : SEPTEMBER 4, 2009**

**CEO CERTIFICATE**

I, K. L. Mundra, Managing Director 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 : SEPTEMBER 4, 2009

Sd/-  
K. L. MUNDRA  
MANAGING DIRECTOR & CEO

**CERTIFICATE OF CORPORATE GOVERNANCE REPORT**

To The Members of Indian Infotech & Software Ltd.  
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 & SOFTWARE LIMITED for the year ended 31<sup>st</sup> March, 2009 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) Company has not complied with Revised Accounting Standards AS-15 for Gratuity and Leave Encashment as the same are being accounted for on Cash Basis.
- 2) CEO/CFO certificate has been only signed by Shri K. L. Mundra, the CEO and Managing Director of the Company and not by CFO, hence Company has not complied with Clause 49(V) of the Listing Agreement.

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.

PLACE : MUMBAI  
DATED : SEPTEMBER 4, 2009

FOR S. K. JAIN & COMPANY  
PRACTICING COMPANY SECRETARIES  
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, 2009, 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 :-

- 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 appears from our examination of the books;
- iii) The Balance Sheet and the Profit and Loss Account referred to in the report are in agreement with the books of account;

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.

On the basis of written representation received from the directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 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, *Subject to the foregoing stated in Paragraph 4 above, the consequential cumulative effect of which on the assets and liabilities and the loss is not ascertainable at this stage, 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 31st March, 2009 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.

For H. P. BIYANI & CO,  
Chartered Accountants

Sd/-  
(H. P. BIYANI)  
PROPRIETOR

Membership No: 31254

Place : Mumbai  
Date : September 4, 2009

**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, 2009 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.

For H.P BIYANI & CO.,  
Chartered Accountants,

Sd/-

(H. P. BIYANI)

PROPRIETOR

Membership No: 31254

Place : Mumbai

Date : September 4, 2009

**BALANCE SHEET AS AT MARCH 31, 2009**

	SCHEDULE	AS AT 31.3.2009 (RUPEES)	AS AT 31.3.2008 (RUPEES)
<b>SOURCES OF FUNDS :</b>			
1. <u>SHAREHOLDERS' FUNDS</u>			
SHARE CAPITAL	A	40,769,875	40,469,875
RESERVES & SURPLUS	B	2,690,434	2,666,753
		43,460,309	43,136,628
2. <u>DEFERRED TAX LIABILITY</u>		23,607	45,596
<b>TOTAL</b>		43,483,916	43,182,225
<b>APPLICATION OF FUNDS :</b>			
1. <u>FIXED ASSETS</u>			
GROSS BLOCK		3,073,292	3,063,802
Less : Depreciation		2,948,426	2,881,568
<b>NET BLOCK</b>	C	124,865	182,234
2. <u>INVESTMENTS</u>	D	26,071,703	25,909,902
3. <u>CURRENT ASSETS, LOANS AND ADVANCES :</u>			
Cash & Bank Balance	E	253,555	190,411
Loans & Advances	F	17,582,059	18,105,640
		17,835,613	18,296,050
Less: Current Liabilities & Provisions			
Current Liabilities	G	504,246	1,185,368
Provision	H	44,019	20,593
		548,265	1,205,961
<b>NET CURRENT ASSETS</b>		17,287,349	17,090,089
<b>TOTAL</b>		43,483,916	43,182,225
Notes forming part of the Accounts	I		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR H. P. BIYANI & CO.  
Chartered Accountants  
Sd/-  
(H. P. BIYANI)  
Proprietor  
M.NO. 31254

FOR AND ON BEHALF OF THE BOARD  
Sd/- Sd/-

K. L. MUNDRA N. K. PAREEK  
(MANAGING DIRECTOR) (DIRECTOR)

PLACE : MUMBAI  
DATED : SEPTEMBER 04, 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

	SCHEDULE	Current year 31.3.2009 (RUPEES)	Previous Year 31.3.2008 (RUPEES)
<b>INCOME</b>			
Income from Operation	I	750,000	1,562,777
Other Income	J	578,122	1,163,427
<b>TOTAL</b>		<b>1,328,122</b>	<b>2,726,204</b>
<b>EXPENDITURE</b>			
Salary & Bonus	K	359,407	319,218
Establishment & Other Expenses	L	875,040	1,943,251
Prior Period Expenses		1,700	--
Depreciation		66,858	107,057
<b>TOTAL</b>		<b>1,303,005</b>	<b>2,369,526</b>
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>		<b>25,117</b>	<b>356,678</b>
Add: Excess provision for IT (A.Y. 2002-03) Written Back		-	88,458
Less: Provision for Taxation			
- Current Years		23,211	20,137
- Deferred tax (Assets)/Liabilities		(21,989)	(30,173)
Less: Provision For FBT		214	230
<b>NET PROFIT/(LOSS) AFTER TAXATION</b>		<b>23,681</b>	<b>454,942</b>
Add : Balance b/f from previous year		2,284,541	1,829,599
Amount available for appropriation		<b>2,308,222</b>	<b>2,284,541</b>
<b>APPROPRIATION :</b>			
Balance carried to Balance Sheet		2,308,222	2,284,541
<b>TOTAL</b>		<b>2,308,222</b>	<b>2,284,541</b>
Basic Earning Per share		0.006	0.112
(Refer note No. 10 of Schedule M)			
Notes forming part of the Account	III		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR H. P. BIYANI &amp; CO.

Chartered Accountants

Sd/-

H. P. BIYANI )

Proprietor

C.O. NO: 31254

FOR AND ON BEHALF OF THE BOARD

Sd/-

Sd/-

K. L. MUNDRA  
(MANAGING DIRECTOR)N. K. PAREEK  
(DIRECTOR)

PLACE : MUMBAI

DATED : SEPTEMBER 04, 2009

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

	AS AT 31.3.2009 (RUPEES)	AS AT 31.3.2008 (RUPEES)
<b>SCHEDULE 'A'</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.	47,338,000	47,338,000
Less : Calls in Arrears	6,568,125	6,868,125
<b>TOTAL</b>	<b>40,769,875</b>	<b>40,469,875</b>

<b>SCHEDULE 'B'</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.	2,308,222	2,284,541
<b>TOTAL</b>	<b>2,690,434</b>	<b>2,666,753</b>

**SCHEDULE 'C'**  
**FIXED ASSETS**

SR. NO	Description of Assets	Depreciation Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
			As at 1.4.2008	Additions during the year	As at 31.3.2009	Upto 1.4.2008	For the year	Upto 31.3.2009	As at 31.3.2009	As at 31.3.2008
1.	Computer	40%	2,902,777	-	2,902,777	2,752,926	59,940	2,812,866	89,911	149,911
2.	Furniture & Fixture	18.1%	161,025	-	161,025	128,642	5,861	134,503	26,522	32,383
3.	Office Equipments	13.9%	-	9,490	9,490	-	1,056	1,056	8,434	-
	<b>Total</b>		<b>3,063,802</b>	<b>9,490</b>	<b>3,073,292</b>	<b>2,881,568</b>	<b>66,858</b>	<b>2,948,426</b>	<b>124,866</b>	<b>187,249</b>
	Previous Year Rupees		3,063,802	-	3,063,802	2,774,511	107,057	2,881,568	182,234	28,334

	AS AT 31.3.2009 (RUPEES)	AS AT 31.3.2008 (RUPEES)
<b>SCHEDULE 'D'</b>		
<b>INVESTMENTS (AT COST)</b>		
<b>LONG TERM INVESTMENTS :</b>		
<b>Quoted</b>		
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 44,900) Equity Shares of Ravindra Trading & Agencies Ltd. of Rs.10/- each fully paid up. * (Previous year 14,500) Equity Shares of Ravindra Trading & Agencies Ltd. of Rs.10/- each fully paid up @Rs.3/- each *	-	443,925 43,500
c) 3,000 (Previous year 3,000) Equity Shares of Associate Profile & Aluminium Ltd., of Rs.10/- each fully paid up.*	30,000	30,000
d) 12,00,000 Equity Shares of TECIL Chemicals & Hydro Power Ltd.of Rs. 2.40 each	2,880,000	2,880,000
e) 2,000 Equity Shares of RPL of Rs. 10/- each fully paid (Market Value Rs. 2,05,000/-)	417,314	417,314
f) 143 Equity shares of Reliance Power of Rs. 10/- each fully paid (Market Value Rs. 14,658/-)	36,630	24,750
g) 10000 Equity Shares of Glory PolyFilms Ltd. of Rs.10/- each fully paid (Market Value Rs. 4,28,000/-)	862,256	502,256
h) 2500 Equity Shares of Keynote Corporation Ltd. of Rs.10/- each fully paid (Market Value Rs. 1,08,250/-)	67,750	-
i) 15 Equity Shares of Ciba Speciality Chemicals (India) Ltd. of Rs.10/- each fully paid (Market Value Rs.-3,210/-)	3,000	-
100 Equity Shares of Ispat Alloys Ltd. of Rs.10/- each fully paid (Market Value Rs. 1,085/-)	2,100	-
60 Equity Shares of Noverties India Ltd. of Rs.10/- each fully paid (Market Value Rs. 21,726/-)	16,560	-
40 Equity Shares of Ferro alloys Coporation Ltd. of Rs.10/- each fully paid (Market Value Rs. 253/-)	800	-
40 Equity Shares of Ferro alloys Ltd. of Rs.10/- each fully paid (Market Value Rs.105/-)	320	-
20 Equity Shares of Ferro Steels Ltd. of Rs.10/- each fully paid (Market Value Rs.28/-)	120	-
52881 Equity Shares of Chemo Pharma Laboratories Ltd. of Rs.10/- each fully paid	129,558	-
100 Preference Shares of Citric India Ltd. of Rs.10/- each fully paid	10,000	-
20950 Equity Shares of Citric India Ltd. of Rs.10/- each fully paid	47,138	-
<b>Total - A</b>	<b>25,987,275</b>	<b>25,825,474</b>

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

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

<u>Unquoted</u>	AS AT 31.3.2009 (RUPEES)	AS AT 31.3.2008 (RUPEES)
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>26,071,703</b>	<b>25,909,902</b>

**SCHEDULE ' E '**

**CASH & BANK BALANCES**

Cash in Hand	6,887	3,758
Balance with Scheduled Bank in Current Accounts	246,668	186,653
<b>TOTAL</b>	<b>253,555</b>	<b>190,411</b>

**SCHEDULE ' F '**

**LOANS AND ADVANCES :**

(Unsecured considered good)

a) Advance Recoverable in cash or in kind for value to be received	17,224,327	17,867,113
b) Payment of Income-tax & Tax Deducted at Source	357,275	238,527
c) Payment of Fringe Benefit Tax	457	
<b>TOTAL</b>	<b>17,582,059</b>	<b>18,105,640</b>

**SCHEDULE ' G '**

**CURRENT LIABILITIES**

Sundry Creditors	253,615	987,401
Creditors for Expenses	82,376	26,138
T.D.S. Payable		3,574
Investor Education and Protection Fund (Refer note no. 10 of Schedule "M")	168,255	168,255
<b>TOTAL</b>	<b>504,246</b>	<b>1,185,368</b>

**SCHEDULE ' H '**

Provision for I.T. (AY 2008-09)	20,137	20,137
Provision for I.T. (AY 2009-10)	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	
<b>TOTAL</b>	<b>44,019</b>	<b>20,593</b>

**SCHEDULE ' I '**

**INCOME FROM OPERATIONS**

Consultation Charges (Including of Service Tax)	750,000	1,562,777
<b>TOTAL</b>	<b>750,000</b>	<b>1,562,777</b>

	AS AT 31.3.2009 (RUPEES)	AS AT 31.3.2008 (RUPEES)
<b>SCHEDULE 'J'</b>		
<b>OTHER INCOME</b>		
Dr/Cr Balance W/Off	7,500	34,386
Interest received	559,947	109,430
Dividend received on Mutual Fund	-	249,383
Short Term Capital Gains	-	766,327
Long Term Capital Gains	3,675	-
Dividend Received	7,000	3,900
<b>TOTAL</b>	<b>578,122</b>	<b>1,163,427</b>

<b>SCHEDULE 'K'</b>		
<b>PERSONNEL COST</b>		
Salary to Staff	325,657	295,323
Gratuity	33,750	23,895
<b>TOTAL</b>	<b>359,407</b>	<b>319,218</b>

<b>SCHEDULE 'L'</b>		
<b>ESTABLISHMENT &amp; OTHER EXPENSES</b>		
Annual Listing & Filing Fees	37,382	45,514
Auditors remuneration :		
- Audit fees	10,000	10,000
- Service tax	1,030	1,236
Bank Charges	1,509	2,040
Bad Debts Written off	410,459	1,300,000
Director Remuneration	300,000	300,000
Office Expenses	-	701
Professional Tax (Firm)	1,700	-
Professional Fees	32,723	39,325
Printing & Stationery	7,095	6,032
Postage charges paid	6,000	6,000
Share Transfer Expenses	32,330	34,660
Securities Transaction Tax (STT)	-	1,146
Telephone & Telegram	8,915	10,126
Income Tax Paid	3,074	172,777
Telephone Expenses	3,155	3,382
Gifts & Taxes	-	1,305
Advertisement & Publicity	19,668	9,007
<b>TOTAL</b>	<b>875,040</b>	<b>1,943,251</b>

## SCHEDULE - M

## 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 reassess realization.
- viii) Other Accounting Policies:  
These are consistent with the generally accounting practices.

## 2. NOTES FORMING PART OF ACCOUNTS :

1. Interest is accounted wherever stipulation exists in this regard.
2. Some debit/credit balances are subject to confirmation.
3. Out of Loans and advances of Rs. 1,81,05,143/- a sum of Rs. 82,09,185/- is doubtful of recovery & a provision amounting to Rs. 4,10,459/- has been made in the Accounts.
4. 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.
5. Contingent Liability:  
Contingent liability in respect of partly paid-up shares / OFDC Rs. NIL (Previous year is also NIL/-)
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. 1,68,255/- amount due and outstanding to be credited to the Investor-Education and Protection Fund.
10. Earning Per Share:

Particulars	Y. E. 31/03/2009	Y. E. 31/03/2008
Net Profit (Loss) attributable to Shareholders	23,683	4,54,942
Weighted Average Outstanding Equity shares (Nos.)	40,76,988	38,47,488
Basic Earning Per share of Rs. 10/- each	0.006	0.112

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. Mundra - Managing Director
- b. Associates  
TECIL Chemicals & Hydro Power Ltd.  
G. D. Somani Memorial School  
Chemo Pharma Laboratories Ltd  
Joshi Thermal

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

(B) Related Party Transactions :

a) Directors Remuneration :

Sr. No.	Category	Nature of Transaction	Amount (Rs.)
1.	Shri K. L. Mundra	Managerial Remuneration	3,00,000/-

b) Loan Details :

Group Companies	Opening Balance (Rs.)	Given (Rs.)	Received (Rs.)	Closing Balance (Rs.)
Tecil Chemicals & Hydro Power Ltd.	3,50,000 (Dr)	29,21,000	16,000	32,55,000 (Dr)
Chemo Pharma Laboratories Ltd.	2,75,000 (Dr)	-	2,75,000	-
Joshi Thermal	27,00,000 (Dr)	-	27,00,000	-

12. The Company does not have a full time Company Secretary as required under Section 383A 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  
PLACE : MUMBAI.  
DATE : SEPTEMBER 4, 2009

FOR & ON BEHALF OF BOARD

Sd/-  
K. L. MUNDRA  
(MANAGING DIRECTOR)

Sd/-  
N. K. PAREEK  
(DIRECTOR)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

	FOR THE YEAR ENDED 31.3.2009 (RUPEES)	FOR THE YEAR ENDED 31.3.2008 (RUPEES)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before tax and extraordinary items	25,117	356,678
Provision for Interest on TDS	-	-
Bad Debts W/off	-	-
Depreciation	66,858	107,057
	91,975	463,735
Divident Income	(7,000)	(3,900)
Short Term Capital Gains	-	(766,327)
Long Term Capital Gains	(3,675)	-
Dividend received on Mutual Fund	-	(249,383)
Interest received	(559,947)	(109,430)
Balances W/off	-	-
Operating Profit & Loss Before Working Capital Changes	(478,647)	(665,306)
Adjustment For:	-	-
Current Liabilities	(681,122)	(1,195,781)
Prior Period Expenses	-	-
Loans & Advances	523,581	(5,839,051)
<b>CASH GENERATED FROM OPERATIONS</b>	(636,188)	(7,700,138)
Taxation paid Net Of Refund	-	(97,562)
Provision For FBT	-	227
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	(636,188)	(7,797,473)
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase Of Investment	(161,801)	(943,621)
Dividend Received	7,000	3,900
Purchase of Fixed Assets	(9,490)	766,327
Dividend received on Mutual Fund	-	249,383
Long Term Capital Gains	3,675	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	(B) (160,616)	75,989
<b>CASH FLOW FROM FINANCE ACTIVITIES:</b>		
Proceeding from Unsecured Loan	-	(771,526)
Call Money Received	300,000	1,995,000
Interest received	559,947	109,430
<b>NET CASH FROM FINANCING ACTIVITIES</b>	(C) 859,947	1,332,904
<b>NET INCREASES IN CASH AND CASH EQUIVALENT</b>	63,144	(6,388,579)
<b>CASH AND CASH EQUIVALENTS AS AT 1st April, 2008 (OPENING BALANCE)</b>	190,411	6,578,992
<b>CASH AND CASH EQUIVALENTS AS AT 31st March, 2009 (CLOSING BALANCE)</b>	253,555	190,411

FOR AND ON BEHALF OF THE BOARD

Sd/-

K. L. MUNDRA  
(MANAGING DIRECTOR)

Sd/-

N. K. PAREEK  
(DIRECTOR)

PLACE : MUMBAI

DATED : September 4, 2009

**AUDITORS CERTIFICATE**

We have examined the above Cash Flow Statement of Indian Infotech & Software Ltd., for the year ended 31/03/2009. 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 4th September, 2009 to the Members of the Company.

For H. P. BIYANI &amp; Co.

Chartered Accountants

Sd/-

(H. P. BIYANI)

Proprietor (M.No. 31254)

PLACE : MUMBAI

DATED : September 4, 2009

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

(Amount in Rs. Thousand)

<b>I. Registration Details</b>			
Registration No. :	<b>27198</b>	State Code :	<b>11</b>
Balance Sheet :	<b>31-March-2009</b>		
<b>II. Capital raised during the year.</b>			
Public Issue	<b>Nil</b>	Right Issue	<b>Nil</b>
Bonus Issue	<b>Nil</b>	Private Placement	<b>Nil</b>
<b>III. Position of Mobilisation and Deployment of Funds</b>			
<b>TOTAL LIABILITIES</b>	<b>43484</b>	<b>TOTAL ASSETS</b>	<b>43484</b>
<b>Sources of Funds</b>			
Paid up Capital	<b>40770</b>	Reserve & Surplus	<b>2690</b>
Secured Loans	<b>Nil</b>	Unsecured Loans	<b>Nil</b>
<b>Application Funds</b>			
Net Fixed Assets	<b>125</b>	Investments	<b>26072</b>
Net Current Assets	<b>17287</b>	Misc. Expenditure	<b>Nil</b>
Deferred Tax Asset	<b>Nil</b>		
Accumulated Losses	<b>Nil</b>		
<b>IV. Performance of Company</b>			
Turnover / Income	<b>1328</b>	Total Expenditure	<b>1303</b>
Profit before Tax	<b>25</b>	Profit after Tax	<b>24</b>
Earning per Share in Rs.	<b>0.006</b>	Dividend rate %	
<b>V. Generic Names of Three Principal Products / Services of Company ( as per monetary terms)</b>			
Product Description :	<b>Computer Training</b>	Item Code No.:	<b>Not Applicable</b>

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 M attached.

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

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**H. P. BIYANI**  
(PROPRIETOR)  
M.NO. 31254

Sd/-  
**K. L. MUNDRA**  
(MANAGING DIRECTOR)

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

PLACE : **MUMBAI**  
DATED : **SEPTEMBER 4, 2009**

# INDIAN INFOTECH & SOFTWARE LTD.

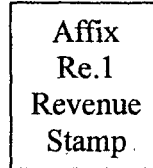
Regd. Office : 3RD Floor, Empire house, 214, Dr. D. N. Road, Fort, Mumbai - 400 001

## 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 29th September 2009 at 3.30 p.m. and at any adjournment thereof.

Signed this ..... day of ..... 2009

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 LTD.

Regd. Office : 3RD 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 Friday, 29th September 2009 at 3.30 p.m.

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

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

No. of Shares held \_\_\_\_\_