

INFORMED TECHNOLOGIES INDIA LIMITED

51st ANNUAL REPORT 2008-2009

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As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

BOARD OF DIRECTORS

Mr. Gautam P. Khandelwal	Chairman
Mrs. Suelve Khandelwal	Member
Mr. Ajay Kumar Swarup	Member
Mr. Arnold Allen	Member

AUDITORS

M/s. M. V. Ghelani & Co.	Chartered Accountants, Mumbai
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BANKERS

Bank of Baroda
The Hongkong and Shanghai Banking Corporation Ltd.

LISTED AT

Bombay Stock Exchange Limited

REGISTERED OFFICE

Nirmal, 20th Floor, Nariman Point,
Mumbai-400021.

SOFTWARE DEVELOPMENT CENTRE

Millenium Business Park, 302,303 & 304, Bldg. No. 4, Sector No. 3,
TTC. MIDC, MAHAPE, Navi Mumbai - 400 710. Maharashtra, India.

REGISTRAR & SHARE TRANSFER AGENTS

Sharepro Services (India) Private Limited

912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai-400021.

13AB, Samhita Warehousing Complex,
Second Floor, Sakinaka, Telephone Exchange Lane,
Off. Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai- 400092.

NOTICE

NOTICE is hereby given that the Fifty-first Annual General Meeting of the Members of Informed Technologies India Limited will be held on Friday, September 25, 2009 at 10.00 A.M at Sunflower II, MVIRDC World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai- 400005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To declare dividend on Equity shares.
3. To appoint a Director in place of Mrs. Suelve Khandelwal, who retires by rotation, and being eligible, offers herself for re-appointment.
4. To appoint M/s M. V. Ghelani & Co., Chartered Accountants, as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

'RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any of the Companies Act, 1956 consent of the Company is accorded to the Board of Directors of the Company to acquire by way of subscription, purchase or otherwise equity/equity related securities/Mutual Funds/other securities of any body corporate up to a limit not exceeding Rs. 6 Crore notwithstanding that the aggregate of securities so far acquired or to be acquired in all bodies corporate may exceed the limits prescribed under the said section.

RESOLVED FURTHER THAT the Board of Directors of the Company is authorized to do all acts, deeds and things necessary in this regard."

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 163 and all other applicable provisions, if any, of the Companies Act, 1956, the Register of Members, Index of Members, Register of Debentureholders, Index of Debentureholders and other related books be kept at the premises of the Company's Registrar & Transfer Agent, Sharepro Services (India) Private Limited, ("R & T Agents") 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072. and also at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400021, and/or at such other place(s) within the city of Mumbai where the R & T Agents may shift its office from time to time and/or at the Registered Office of the Company at Nirmal, 20th Floor, Nariman Point, Mumbai - 400 021.

For and on behalf of the Board

**Gautam Khandelwal
Chairman**

**Place: Mumbai
Date: June 30, 2009**

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than forty-eight

hours before the time fixed for holding the meeting

2. Explanatory statement pursuant to Sections 173(2) of the Companies Act, 1956, in respect of the special businesses proposed to be transacted at the Meeting is annexed hereto.
3. Register of Members and Share Transfer Books of the Company will remain closed from September 17, 2009 to September 25, 2009 (both days inclusive).
4. The dividend for Financial Year 2008-09 as recommended by the Board, if approved at the meeting, will be paid to those Members whose names appear in the Company's Register of Members as on book closure dates. In respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose.
5. The Company's equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejibhoy Towers, Dalal Street, Mumbai 400001 and the Company has paid the Annual Listing Fees to the Stock Exchanges for the year 2009-10.
6. Members requiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready, replies will be provided only at the meeting.
7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form 2B (which will be made available on request) to the Registrar and Transfer Agent, Sharepro Services (India) Private Limited.

For and on behalf of the Board

**Gautam Khandelwal
Chairman**

Place: Mumbai

Date: June 30, 2009

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 5

The Company is generating surplus funds from its operational and other activities and seeks consent to invest the funds in short term/long term securities. It is proposed that the Board of Directors be authorized to invest upto 6 Crore in any body corporate by way of subscription and/or purchase of equity/equity related/Mutual Funds/ other securities from time to time.

Yours Directors commend the resolutions for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 6

Sharepro Services (India) Private Limited, Mumbai is our Registrar and Transfer Agent (RTA), who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. The said RTA has changed one of its office and had made general notice in newspaper for investors. The Company had also intimated to Bombay Stock Exchange Limited, where shares of the Company are listed to inform investors about the same. In pursuance of Section 163(1) of the Companies Act, the Board of Directors recommends the resolution as set out in the Notice for your approval.

For and on behalf of the Board

**Gautam Khandelwal
Chairman**

Place: Mumbai

Date: June 30, 2009

Directors' Report, Management Discussion and Analysis Report

To,

The Members,

Your Directors have pleasure in presenting the Fifty-first Annual Report together with the Audited Statements of Accounts of the Company for the Financial Year ended March 31, 2009.

Financial Highlights

The performance of your Company for the year under review is summarized below:

	(Rs. in Lakhs)	
	2008-09	2007-08
Sales & Other Income	436.80	454.93
Profit/(Loss) before Interest, Depreciation & Tax	273.30	182.04
Less: Interest	-	-
Profit/(Loss) before Depreciation & Tax	273.30	182.04
Less: Depreciation	13.83	12.99
Profit/(Loss) before Tax	259.47	169.05
Less: Provision for Taxation	48.43	34.41
Profit/(Loss) after Tax	211.04	134.64
Less: Prior Period Item/ Extra-ordinary Items	-	1.03
Profit/(Loss) for the period	211.04	133.61
Less: Proposed Dividend (including Dividend Distribution Tax)	48.76	-
Add: Balance brought forward from last year	95.13	(38.48)
Balance transferred to Balance sheet	257.40	95.13

Dividend

Directors are pleased to recommend a final dividend of Rs.1/- per equity share (10%) of the face value of Rs. 10/- for the year ended 31st March, 2009. The final dividend, subject to approval at the AGM on September 25, 2009 will be paid to the shareholders whose names appear in the Company's Register of Members as on book closure dates.

Directors

Mrs. Suelve Khandelwal retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board recommends to the Members her appointment as a Director.

Management Discussion and Analysis

In terms of Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, the Management Discussion and Analysis of the Company is as follows:

a) Economy review:

During the year, world economy experienced severe volatility and was also impacted by the US and European financial crisis. Global trade was affected with reduced exports from Developing & Emerging countries like India and China. However, India was one of few large economies that registered a robust growth in GDP at 6.7% for the year 2008-09.

b) Industry Review and future outlook

BPO sector has a huge business potential in terms of earnings due to the edge India has because of its skilled manpower coupled with low costs and technological base. The need for greater transparency in international financial markets and the emergence and continuing growth of the Internet as an immediate channel for dissemination of content will continue to drive the business in which the Company is engaged. The meltdown of US economy and financial market pose a challenge to the competitiveness of the Industry. However, Company is tackling these issues by enhanced stress on improving technology and offering higher value added services, and is confident of building upon its current business. The Company is looking for expansion into International (non USA) data and reports.

c) Business Review & Development and Overview of Financial Performance & Operations

The Company is operating as IT enabled, knowledge based Back Office Processing Centre out of Millennium Business Park in Mahape, Software Technology Park, Navi Mumbai and serves the needs of the financial content sector in the USA. The Company collects and analyses data on financial fundamentals, Corporate Governance, Director/Executive Compensation and capital market. The outsource services consist of financial databases and back office activity for research/advisory reports. The Company has focus on the niche market segment of financial content and has developed repeat business with its customers, which are well known and respected American corporates. The focus helps in developing expertise in the said field and is hopeful of capitalizing the same by striking new business deals in the USA and will help in increasing the performance of the Company. During the year, the total income of the Company is Rs 436.80 Lakhs in 2008-09 compared to Rs 454.93 Lakhs in 2007-08.

d) Internal Control Systems

The Company has adequate internal control systems in place. These systems are continuously monitored, periodically reviewed and wherever necessary are modified as per the requirements for exercising effective controls.

e) Risks, Concerns & Threats:

The Company has Committee, which meets frequently to take the stock of all the impending and immediate threats to the business and takes necessary steps for positioning of the Company to meet the same in time. Any major threats affecting the Company in general and business environment indirectly affecting the functioning of the Company are discussed with the Board from time to time.

Subsidiary company and Consolidated Statement

'Informed Financials USA Inc', wholly owned subsidiary of the Company is engaged in promoting company's business in U.S.A and its operations have been satisfactory. The financial statements of Subsidiary forms part of this Annual Report. Further, a statement pursuant to section 212(3) of the Companies Act, stating financial details about subsidiary is also annexed to this report. In accordance with Accounting Standard 21 – notified by Companies (Accounting Standards) Rules, 2006, the audited consolidated financial statements of the Company and its subsidiaries is annexed to this report.

Auditors

M/s. M. V. Ghelani & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company retires at the ensuing Annual General Meeting and, is eligible for re-appointment. The Company has received Certificate u/s 224(1B) of the Companies Act, 1956, expressing willingness to be reappointed as Statutory Auditors for the Financial Year 2009-10. The observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments.

Public Deposit

The Company has not accepted any fixed deposit during the year within the meaning of Section 58-A of the Companies Act, 1956 and the rules made there under.

Employees

Relations between the employees and the management remained cordial during the year under review. The Company has no employees of the specified categories under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended upto date.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, your Directors furnish the required details below:

- (a) Conservation of Energy: Not Applicable
- (b) Research and Development (R & D): The Company has not undertaken any R&D activity in the current year.
- (c) Technology Absorption: The Company has not imported any technology during the year.
- (d) Foreign Exchange earnings and outgo: During the year under review, the foreign Exchange outgo was Rs 30.35 Lakhs (Previous year – Rs 76.59 Lakhs). The Foreign exchange earning was Rs. 217.43 Lakhs (Previous year –Rs 296.23 Lakhs).

Directors' Responsibility Statement

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2009 and of the profit of the Company for that year;
- iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability, 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;
- iv) the annual accounts have been prepared on a going concern basis.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a detailed report on Corporate Governance along with the Certificate of Statutory Auditors on the Compliance is given as an Annexure to this Report.

Acknowledgements

Your Board of Directors wish to place on record their appreciation for the whole-hearted co-operation received by the Company from the Shareholders, various Government departments, Company's Bankers and all the employees during the year under review.

For and on behalf of the Board

**Gautam Khandelwal
Chairman**

**Place: Mumbai
Date: June 30, 2009**

Report on Corporate Governance

1. Company's philosophy on the Corporate Governance:

Informed Technologies India Limited believes in adopting the best practices in the area of Corporate Governance and follows the principles of fair representation, full disclosure, accountability and responsibility in all its dealings and communications with the ultimate objective of realizing and enhancing shareholder's values and protecting the rights and interests of all its stakeholders.

2. Board of Directors:

a) Composition

The Board consists of Four (4) Directors of these Two (2) Directors are independent Directors. The Chairman of the Board is Non-Executive Director.

b) Meetings of the Board

The meetings of the Board of Directors are held atleast once in quarter, scheduled well in advance and generally held at the Company's registered office in Mumbai. During the Financial Year 2008-09, Five (5) Board meetings were held. The Board meetings were held on April 3, 2008, June 27, 2008, July 29, 2008, October 24, 2008 and January 29, 2009.

Attendance of each Director at the Board Meeting and the last Annual General Meeting:

Sr. No.	Name of Directors	Attendance details	
		Board Meeting	Last A.G.M
1.	Mr. Gautam P. Khandelwal	5	Yes
2.	Mrs. Suelve Khandelwal	5	Yes
3.	Mr. Ajay Kumar Swarup	5	No
4.	Mr. Arnold Allen	3	No

c) Directorship of Directors in other Companies

The details of the Directors with regard to their outside Directorships, committee positions are as follows:

Name of Director	Executive / Non-Executive / Independent ¹	No. of outside Directorship Held		Outside Committee Positions Held ²	
		Public	Private	Chairman	Member
Mr. Gautam P. Khandelwal	Non- Executive	Three	Six	Nil	Nil
Mrs. Suelve Khandelwal	Executive	Nil	Three	Nil	Nil
Mr. Ajay Kumar Swarup	Independent	Three	Six	Nil	Nil
Mr. Arnold Allen	Independent	One	Nil	Nil	Two

1. Independent Director means a Director defined as such under Clause 49 of the Listing Agreement.
2. Only two Committees viz. the Audit Committee and the Shareholders / Investor Grievance Committees are considered.

d) Detail of Directors being appointed and re-appointed

The details of the Director retiring by rotation as required under Clause 49 of the Listing Agreement is as follows:

Mrs. Suelve Khandelwal, aged 45 years is Bachelor of Commerce from the University of Delhi. She is advising and assisting the management in financial and corporate matters. She is also on Board of Magnachem Pharmaceuticals Private Limited, Khandelwal Remedies Private Limited, Zeppelin Investments Private Limited and Khandelwals Limited, London

e) Code of Conduct:

The Company has laid down code of conduct applicable to all Board Members and Senior Executives of the Company. All Board members and Senior Executives have confirmed compliance of the code of conduct. The Executive Director of the Company has given the certificate given as an Annexure to this report as per the requirement of Clause 49 of the Listing Agreement.

3. Audit Committee:

The Board at its Meeting held on April 4, 2008 reconstituted the Audit Committee comprising Mr. Ajay Kumar Swarup-Chairman, Mr. Arnold Allen-Member, Mr. Gautam Khandelwal-Member. The members of the Committee have the relevant experience in the field of finance, banking and accounting.

Terms of reference

- All the matters specified under section 292A of the Companies Act, 1956.
- Matters listed under the listing agreement with stock exchange.
- Financial reporting process and disclosure of financial information.
- Reviewing any change in accounting policies and practices.
- Compliance with accounting standards and reviewing the adequacy of internal control system.
- Reviewing the reports of the internal and statutory auditors and ensuring that adequate follow up and action is taken by the management.

The Committee met five times during the year under review. The said meetings were held on April 3, 2008, June 27, 2008, July 29, 2008, October 24, 2008 and January 29, 2009.

Name of Director	No. of Meetings	
	Held	Attended
Mr. Ajay Kumar Swarup	5	5
Mr. Arnold Allen	5	3
Mr. Gautam Khandelwal	5	5

4. Remuneration Committee

The Committee comprise of Mr. Gautam Khandelwal, Mr. Ajay Kumar Swarup and Mr. Arnold Allen to determine the Remuneration policy for Executive Director of the Company. Mr. Gautam Khandelwal heads the committee. During the year under review, the Remuneration Committee met on June 27, 2008 and July 29, 2008.

Monthly remuneration is paid to Executive Director while other directors are eligible only for sitting fees. Mr. Gautam Khandelwal, Mr. Ajay Kumar Swarup and Mr. Arnold Allen have waived sitting fees.

Details of remuneration paid to Directors for the year:

Name of the Director	Salary & Perquisites (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)
Mrs. Suelve G. Khandelwal	4,00,000	Nil	Nil

5. Share Transfer and Investor Grievances Committee

The Committee comprise of Mr. Gautam Khandelwal and Mrs. Suelve Khandelwal. Mr. Gautam Khandelwal heads the committee.

6. General Body Meetings:

Details of the last three Annual General Meetings held is given below:

Financial Year	Date, Time and Venue
2005-2006	September 29, 2006 at 11.00 A.M Seminar I & II, MVIRDC World Trade Centre, Centre One, 31 st Floor, Cuffe Parade, Mumbai-400005.
2006-2007	September 28, 2007 at 11.00 A.M Seminar I & II, MVIRDC World Trade Centre, Centre One, 31 st Floor, Cuffe Parade, Mumbai-400005.
2007-2008	September 25, 2008 at 10.00 A.M Sunflower II, MVIRDC World Trade Centre, Centre One, 30 th Floor, Cuffe Parade, Mumbai-400005.

In Annual General Meeting held on September 25, 2008, 2 Special Resolutions were passed unanimously on a show of hands by the shareholders present at the meeting. No special Resolution was put through postal ballot last year. None of the business required to be transacted at this AGM is proposed to be passed by postal ballot.

7. Disclosures

- The disclosures with regard to transactions with related parties are given in Schedule 16; the Notes to Accounts under Note (iii) of the audited financial statements for the year ended March 31, 2009. The Audit Committee has reviewed these transactions as mandatory required under Clause 49 of the Listing Agreement.
- There were no instances of non-compliance, penalties, strictures imposed on the Company by Stock Exchange, SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- The Company does not have Whistle Blower Policy, but however no person is denied access to Audit Committee.
- The Company has complied with mandatory requirement.
- The Company has complied with Non-Mandatory requirement of setting up Remuneration Committee to determine the remuneration payable to an Executive Director.

8. Means of communication

- The quarterly un-audited results are published in accordance with the requirement of the Listing Agreement.
- Newspapers in which results are normally published: Free Press Journal and Navshakti.
- Annual audited financial results were published in national and local dailies. These are not sent individually to the shareholders. No presentations were made to international investors or to the analysts.

9. (a) General Shareholders Information

(a) Annual General Meeting:

Date : September 25, 2009
 Time : 10.00 A. M
 Venue : Sunflower II, MVIRDC World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai- 400005

(b) Financial Calendar (April 1, 2009 to March 31, 2010) :

First quarter results : End July, 2009
 Second quarter results : End October, 2009
 Third quarter results : End January, 2010
 Fourth quarter and Annual results : End June, 2010
 Annual General Meeting : End September 2010

(c) Date of Book closure : September 17, 2009 to September 25, 2009 (both days inclusive)

(d) Listing on Stock Exchange and Stock Code :

Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400023.

BSE Stock code : 504810

(e) ISIN Number : INE123E01014 – NSDL & CDSL

(f) Market Price Data :

High/Low price and volume of the Company's shares at BSE during each month in Financial Year 2008-09 is as follows:

Month	High (Rs.)	Low (Rs.)	Volume (shares)
April-2008	45.35	43.10	90
May-2008	46.40	38.50	7763
June-2008	38.05	28.55	1467
July-2008	34.30	31.10	901
August-2008	32.00	29.05	112
September-2008	27.95	19.50	367
October-2008	20.45	14.30	184
November-2008	13.59	9.05	1800
December-2008	9.84	7.06	4570
January-2009	11.94	9.28	1787
February-2009	11.25	9.66	355
March-2009	9.18	6.13	410

(g) Registrar and Transfer Agent:

Sharepro Services (India) Pvt. Ltd.

13AB, Samhita Warehousing Complex, and
Second Floor, Sakinaka,
Telephone Exchange Lane,
Off. Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai- 400092.

912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai-400021.

(h) Share Transfer System:

Share transfer in physical form are registered and returned within a period of 7 to 15 days from the date of receipt in case documents are complete in all respects. The share transfer committee meets every fortnight.

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

No. of shares	No. of Shareholders	%	No. of Shares	%
Upto 500	3380	95.40	370456	8.89
501-1000	98	2.77	72102	1.73
1001-2000	31	0.87	42320	1.02
2001-3000	10	0.28	23960	0.57
3001-4000	3	0.08	10000	0.24
4001-5000	3	0.08	13130	0.31
5001-10000	5	0.14	33963	0.81
10001 and above	13	0.37	3603169	86.43
TOTAL	3543	100	4169100	100.00

(j) Shareholding Pattern:

Shareholding pattern as on March 31, 2009

Sr. No.	Category	No. of Shares held	% of Shareholding
1	Indian Promoters	504061	12.09
2	Foreign Promoters	2678220	64.24
3	Mutual Funds/UTI	60	0.00
4	Financial Institutions/Banks	1090	0.03
5	Insurance Companies	386110	9.26
6	Private Bodies Corporate	39613	0.95
7	Indian Pubic	557546	13.37
8	NRI/OCBs	2400	0.06
TOTAL		4169100	100.00

(k) Dematerialization of shares as on March 31, 2009

Particulars	No. of shares	% to Capital
Dematted		
National Securities Depository Limited	3703753	88.84
Central Depository Securities Limited	23807	0.57
Physical	441540	10.59
Total	4169100	100

(l) Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion date and likely impact on equity:
The Company has not issued any GDRs/ADRs and there are no warrants or any Convertible instruments.

(b) Plant Location:

The Business Processing Outsourcing operations are carried out from Millennium Business park, Unit No. 302-304, Building No. 4, Sector 3, TTC, MIDC, Mahape, Navi Mumbai.

(c) Name and Designation of Compliance Officer:

Mr. Gautam P. Khandelwal

(d) Address for correspondence:

The Compliance Officer
The Informed Technologies India Limited
Nirmal, 20th Floor, Nariman Point, Mumbai-400021
Tel : 022-2202 3055 / 66
Fax : 022-2204 3162
Email : itil_investor@informedfin.com

(e) Auditors Certificate on Corporate governance:

The Auditors Certificate on Compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is given as an annexure to this report.

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and Senior Management Personnel have confirmed with the Code of Conduct and Ethics in respect of Financial Year 2008-09.

For Informed Technologies India Limited
Suelve G. Khandelwal
Executive Director

Date: June 30, 2009

Place: Mumbai

Annexure

Auditors' Certificate regarding compliance of the conditions of Corporate Governance

To,
The Members of
Informed Technologies India Limited

We have examined the compliance of conditions of Corporate Governance by Informed Technologies India Limited, for the year ended 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, (hereinafter referred to as clause 49).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clause. 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 and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that while the Shareholders/Investor Grievance Committee has not maintained records to show the investor grievances pending for a period of one month against the Company, the Registrar of the Company have certified that as at 31st March, 2009 there were no investor grievances remaining unattended/pending for more than 30 days.

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

For M.V.Ghelani & Co.
Chartered Accountants

M.V.Ghelani
Proprietor

Date: June 30, 2009

Place: Mumbai

AUDITORS REPORT

TO THE MEMBERS OF

INFORMED TECHNOLOGIES INDIA LIMITED

1. We have audited the attached Balance Sheet of INFORMED TECHNOLOGIES INDIA LIMITED as at March 31, 2009 and the Profit and Loss account 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.
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 misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government vide notification No G.S.R. 480(E) dated June 12, 2003 in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in the said order.
4. 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 it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with 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 of the Company, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors of the Company is, prima facie, disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the significant Accounting policies and 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;
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009
 - (b) in the case of the Profit and Loss account, of the profit for the year ended on that date;
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date

**For M.V. GHELANI & CO.
CHARTERED ACCOUNTANTS**

**(M. V. GHELANI)
PROPRIETOR**

Place : Mumbai

Dated : 30th June 2009

ANNEXURE TO THE AUDITORS' REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

Annexure referred to in paragraph 3 of our report of even date to the members of Informed Technologies India Limited on the accounts for the year ended 31st March, 2009

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets of the Company have not been physically verified during the year.
 - (c) During the year, the Company has not disposed off any asset.
2. The nature of the company's operations during the year does not require it to hold inventories and as such paragraph 4 (ii) of the Companies (Auditors Report) Order, 2003 ('the Order') is not applicable.
3. In respect of loans, either granted or taken by the Company, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
 - (a) An unsecured loan (including advances) were granted in the earlier years to one company covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (i) The maximum amount outstanding during the year was Rs. 74,55,954 and the year end balance was Rs. 74,55,954.
 - (ii) According to the information and explanations given to us, in the opinion of the management it has been considered doubtful of recovery and hence the company has made a provision for doubtful debts in an earlier year in respect of the loan. *The terms and condition of the said loan (including advance) seems, prima facie, prejudicial to the interest of the company as*

the company has granted the same interest free and there are no covenants with regard to its repayment.

- (iii) Since there are no covenants with regard to the repayment and interest, we are not in a position to comment on the regularity or otherwise of payment of the principal amount and interest.
- (iv) For reasons stated above, we are not in a position to comment on the overdue amount, if any.
- (b) The Company has not taken loans from companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, requirements of para (iii) (b), (c) and (d) are not applicable.
- 4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of services. There are no purchases of inventory. During the course of our audit, we have not observed any continuing failure to correct any major weakness in internal controls.
- 5. (a) According to the information and explanations provided by the management to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, loan transactions made in pursuance of any contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
- 6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the sections 58A and 58AA of the companies Act, 1956 and the rules framed thereunder.
- 7. *The Company does not have any Internal Audit System commensurate with size of the Company and nature of its business.*
- 8. According to the information and explanations given to us, the maintenance of cost records was not prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for any of the activities of the Company.
- 9. According to the records of the Company, the company is *generally* regular in depositing with the appropriate authorities the Provident Fund. In the opinion of the Company, the provisions of the Employees State Insurance Act, 1948 is not applicable to the Company. The Company is regular in depositing with appropriate authorities, other Undisputed statutory dues including Income Tax, Wealth Tax, cess and other material statutory dues applicable to it.
- 10. The Company does not have any accumulated losses at the end of the financial Year. The Company has not incurred any cash loss during the current year or during the immediately preceding financial year.
- 11. According to the information and explanations given to us and based on the records made available to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holder during the year.
- 12. According to the information and explanations given to us and based on the records made available to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities
- 13. According to the information and explanations given to us and based on the records made available to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 14. In our opinion 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. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
- 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16. According to the information and explanations given to us and the records made available to us, the Company has not obtained any term loans during the period covered by our audit report.
- 17. According to the information and explanations given to us and the records made available to us, the Company has not raised any funds either on short-term or long-term basis during the period covered by our audit report
- 18. According to the information and explanations given to us and the records made available to us, the Company has not issued any debentures during the period covered by our audit report.
- 19. According to the information and explanations given to us and the records made available to us, the Company has not raised any money by public issue during the period covered by our audit report.
- 20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by Company has been noticed or reported during the course of our audit.

**For M.V. GHELANI & CO.
CHARTERED ACCOUNTANTS**

**(M. V. GHELANI)
PROPRIETOR**

**Place : Mumbai
Dated : 30th June 2009**

BALANCE SHEET AS AT 31ST MARCH, 2009

Schedule	As at 31st March, 2009		As at 31st March, 2008	
		Rupees	Rupees	Rupees
I. SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	41,691,000		41,691,000
Reserves & Surplus	2	25,739,415		9,513,017
Total		<u>67,430,415</u>		<u>51,204,017</u>
II. APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	3	46,080,710	46,010,530	
Less : Depreciation		<u>13,277,319</u>	<u>11,894,156</u>	
Net Block		32,803,391		34,116,374
Investments	4	40,119,003		20,479,561
Current Assets, Loans and Advances				
Sundry Debtors	5	2,646,936	3,361,739	
Cash and Bank Balances	6	1,741,183	1,276,892	
Other Current Assets, Loans and Advances	7	13,037,080	8,786,798	
		<u>17,425,199</u>	<u>13,425,429</u>	
Less : Current Liabilities and Provisions				
Liabilities	8	9,154,027	12,860,240	
Provisions	9	13,763,151	3,957,107	
		<u>22,917,178</u>	<u>16,817,347</u>	
Net Current Assets		(5,491,979)		(3,391,918)
Total		<u>67,430,415</u>		<u>51,204,017</u>
Significant Accounting Policies and Notes to Accounts			16	

The Schedules and Notes to account referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

As per our report of even date annexed

For M.V. Ghelani & Co.
Chartered Accountants

M. V. Ghelani
Proprietor

Mumbai, 30th June, 2009

For and on behalf of the board

Gautam P. Khandelwal
Chairman

Smt. Suelve G. Khandelwal
Executive Director

Mumbai, 30th June, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year ended 31st March, 2009 Rupees	Year ended 31st March, 2008 Rupees
I. INCOME			
Sales and Services	10	21,742,622	29,623,577
Other Income	11	21,937,987	15,868,811
TOTAL INCOME	A	43,680,609	45,492,388
II. EXPENDITURE			
Payments to and provision for employees	12	5,926,786	9,613,416
Operating expenses	13	4,963,184	11,528,185
Administrative and other expenses	14	5,460,439	6,146,713
TOTAL EXPENDITURE	B	16,350,409	27,288,313
Profit/ (Loss) Before interest and depreciation	A-B	27,330,200	18,204,075
Depreciation		1,383,163	1,298,824
Profit/ (Loss) before taxation		25,947,037	16,905,251
Payment and Provision for Taxation			
- Current Tax		4,817,000	3,400,000
- Fringe Benefit Tax		26,000	41,000
Profit for the year before prior period item		21,104,037	13,464,251
Prior period item	15	-	102,911
Profit after taxation and prior period item		21,104,037	13,361,340
Add: Profit/(Loss) brought forward from previous year		9,513,017	(3,848,323)
Less: Appropriations			
Proposed Dividend		4,169,100	-
Dividend distribution tax		708,539	
Balance of Profit & Loss A/c carried to Balance Sheet		25,739,415	9,513,017
Earning Per Share (Basic & Diluted)		5.062	3.205
Significant Accounting Policies and Notes to accounts	16		

The Schedules and Notes to account referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

As per our report of even date annexed

For M.V. Ghelani & Co.
Chartered Accountants

M. V. Ghelani
Proprietor

Mumbai, 30th June, 2009

For and on behalf of the board

Gautam P. Khandelwal
Chairman

Smt. Suelve G. Khandelwal
Executive Director

Mumbai, 30th June, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
Schedule 1 - Share Capital		
Authorised		
70,00,000 Equity Shares of Rs.10 each	70,000,000	70,000,000
50,000 15% (Free of Company's tax, but subject to deduction of tax at source at the prescribed rates) "A" Cumulative Redeemable Preference Shares of Rs. 100 each	5,000,000	5,000,000
	<u>75,000,000</u>	<u>75,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
4,169,100 Equity Shares of Rs.10 each fully paid up	41,691,000	41,691,000
	<u>41,691,000</u>	<u>41,691,000</u>

NOTES :

Of the above equity shares,

- (i) 13,69,100 Equity shares were allotted as fully paid up by way of Bonus shares by capitalisation of General Reserve
- (ii) 26,78,220 Equity shares are held by Khandelwals Limited, Holding company.

Schedule 2 - Reserves & Surplus

Profit & Loss Account	25,739,415	9,513,017
Total	<u>25,739,415</u>	<u>9,513,017</u>

Schedule 3 - Fixed Assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions during the year	Deletions adjustments during the year	Cost As at 31.3.2009	Upto 31.03.2008	For the year	Adjustments on deduction/ transfer	Upto 31.3.2009	As at 31.3.2009	As at 31.3.2008
Buildings (Refer notes 1 & 2)	32,537,152	-	-	32,537,152	4,387,090	530,356	-	4,917,445	27,619,707	28,150,062
Furniture & Fixtures	3,604,872	-	-	3,604,872	1,372,698	181,904	-	1,554,602	2,050,270	2,232,174
Electrical Installation	828,863	-	-	828,863	232,532	39,371	-	271,903	556,960	596,331
Office Equipments	2,465,295	-	-	2,465,295	1,572,900	104,838	-	1,677,738	787,557	892,395
Computers including Computer Software	6,574,347	70,180	-	6,644,527	4,328,937	526,694	-	4,855,630	1,788,897	2,245,411
Total	46,010,530	70,180	-	46,080,710	11,894,156	1,383,163	-	13,277,319	32,803,391	34,116,374
Previous year	44,548,479	1,462,051	-	46,010,530	10,595,332	1,298,824	-	11,894,156	34,116,374	33,953,147

Notes :

Buildings Include:

- (1) The face value of shares held in co-operative housing societies amounting to Rs.81,750/- viz:
 - (a) Shree Nirmal Commercial Limited: 765 shares of Rs.100 each fully paid up and
 - (b) The Malabar Hill Co-Operative Housing Society Limited: 105 shares of Rs.50 each fully paid up and the Net Block of both the above premises included herein is Rs.19,476,105/- (Previous Year Rs.19,864,366/-)
 The above share certificates are held in the former name Khandelwal Ferro Alloys Ltd.
- (2) Unit No.302 & 303 at Mahape, Gross Block whereof is Rs.55,07,800/- (Previous Year Rs.55,07,800/-) acquired from MIDC on 95 years lease basis. The lease documents have yet to be executed.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
Schedule 4 - Investment		
A. LONG TERM (At Cost Less permanent diminution in value (if any))		
Trade		
Fully paid-up Equity Shares (Unquoted)		
In Wholly Owned Subsidiary Company		
Informed Financial USA Inc.		
[100 Equity Shares (Previous Year : 100) of US \$50 each]	219,250	219,250
Non Trade		
Fully paid-up Equity Shares (Quoted)		
Zenith Birla (India) Limited (Formerly Known as Zenith Ltd.)	622	622
[18 Equity shares (Previous year :18) of Rs 10 each]		
Gujarat Steel Tubes Limited	375	375
[180 Equity Shares (Previous year : 180) of Rs. 10/- each]		
Less: Provision for diminution in value of investments	<u>375</u>	<u>375</u>
Mahinda & Mahindra Financial Services Ltd	<u>23,200</u>	<u>23,200</u>
[116 Equity Shares (Previous year : 116) of Rs. 10/- each]	<u>23,822</u>	<u>23,822</u>
Nagpur Power & Industries Limited		
[45000 Equity Shares (Previous year : Nil) of Rs.10/- each]	<u>1,800,000</u>	<u>-</u>
Total (A)	<u>2,043,072</u>	<u>243,072</u>
B. CURRENT (At lower of cost or market value)		
In Mutual Funds (Unquoted)		
In Units of SBI Mutual fund	38,075,931	20,236,489
(3,704,830 Units (Previous year: 19,72,881 Units) of Magnum Insta Cash Fund Liquid Floater Plan-Dividend.		
Total (B)	<u>38,075,931</u>	<u>20,236,489</u>
Total Investments (A) + (B)	<u>40,119,003</u>	<u>20,479,561</u>
Aggregate Cost of quoted Investments	1,823,822	23,822
Aggregate Market Value of quoted Investments	839,018	33,574
Aggregate cost of unquoted Investments	38,295,181	20,455,739
Schedule 5 - Sundry Debtors		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered doubtful or Bad	298,393	298,393
Less: Provision for Doubtful debts	<u>298,393</u>	<u>298,393</u>
[Due from a Company under the same Management Rs. 2,98,393 [maximum amount due during the year Rs. 2,98,393] (Refer Schedule No.16 (ii) e)		
Total	<u>-</u>	<u>-</u>
Other Debts		
Considered Good	2,646,936	3,361,739
Total	<u>2,646,936</u>	<u>3,361,739</u>
Grand Total	<u>2,646,936</u>	<u>3,361,739</u>
Schedule 6 - Cash and Bank Balances		
Cash in hand	56,131	61,200
Balance with Scheduled Banks		
- In Current Accounts	1,656,131	1,193,192
- In Margin money for issue of bank guarantee	<u>28,921</u>	<u>22,500</u>
Total	<u>1,741,183</u>	<u>1,276,892</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
Schedule 7 - Other Current Assets , Loans and Advances		
(Unsecured)		
(a) Considered good		
Deposits	875,554	871,628
Advances recoverable in cash or in kind or for value to be received	318,475	334,687
Prepaid expenses	91,906	215,686
Advance payment of Taxes	11,030,331	6,853,224
Service tax credit	720,814	511,573
Sub Total (a)	<u>13,037,080</u>	<u>8,786,798</u>
(b) Considered doubtful		
Advances recoverable in cash or in kind or for value to be received (of which, Due from a Company under the same Management Rs.74,55,954 (Previous year Rs.74,55,954) Maximum amount due during the year and during the previous year is same)	7,455,954	7,455,954
Less: Provision for Doubtful Advances	7,455,954	7,455,954
Sub Total (b)	<u>-</u>	<u>-</u>
Total (a + b)	<u>13,037,080</u>	<u>8,786,798</u>
Schedule 8 - Liabilities		
Sundry Creditors		
(i) Dues to Small Scale Industrial Undertakings (Refer Schedule No.16 (ii) g)	-	-
(ii) Others	1,200,621	1,571,314
(iii) Dues to Subsidiary Company	846,856	976,625
Security Deposits	6,678,000	7,353,000
Other Liabilities	428,549	2,959,301
Total	<u>9,154,027</u>	<u>12,860,240</u>
Schedule 9 - Provisions		
Provision for :		
Gratuity	234,572	151,415
Leave Salary	82,632	80,384
Income tax	8,217,000	3,400,000
Proposed Dividend	4,169,100	-
Dividend distribution tax	708,539	-
Fringe Benefit Tax	351,308	325,308
Total	<u>13,763,151</u>	<u>3,957,107</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	YEAR ENDED 31st March, 2009 Rupees	YEAR ENDED 31st March, 2008 Rupees
Schedule 10 - Sales and Services		
Data outsourcing charges-BPO [Net of returns relating to previous year Rs.77,766/- (In Previous year Rs.Nil)]	21,742,622	29,623,577
Total	<u>21,742,622</u>	<u>29,623,577</u>
Schedule 11 - Other Income		
Other Interest (Tax deducted at source Rs Nil (Previous year Rs.6,954/-)	15,713	203,244
Dividend from Investments	1,836,389	710,218
Rental/Business Centre Charges (Tax deducted at source Rs.41,02,075/- (Previous year Rs.34,02,439/-)	19,989,774	14,900,000
Profit on sale of Investments	3,574	761
Leave salary (Gain)	-	988
Excess provision for gratuity/leave salary w/back	-	53,600
Foreign Exchange gain	92,536	-
Total	<u>21,937,987</u>	<u>15,868,811</u>
Schedule 12 - Payments to and Provision for Employees		
Salaries	5,544,162	8,895,767
Contribution to Provident Fund	261,739	385,963
Staff Welfare	120,885	331,686
Total	<u>5,926,786</u>	<u>9,613,416</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	YEAR ENDED 31st March, 2009 Rupees	YEAR ENDED 31st March, 2008 Rupees
Schedule 13 - Operating Expenses		
Webhosting Charges	172,526	175,616
FTP Hosting charges	-	595
Communication charges	1,076,416	1,571,807
Professional fees	680,717	1,015,246
Membership & Subscription	93,338	238,093
Software expenses	17,620	18,028
Computer Hire charges	270,750	789,250
Computer maintenance charges	20,625	7,360
Data Processing/management charges	489,084	876,087
[Net of returns relating to previous year Rs.15,169/- (In Previous year Rs.Nil)]		
Network Maintenance charges	6,750	123,750
Business Development fees	2,135,358	6,151,360
	-	560,993
Total	<u>4,963,184</u>	<u>11,528,185</u>
Schedule 14 - Administrative and Other Expenses		
Repairs and Maintenance		
Building Maintenance charges	538,040	569,114
Repairs to others	11,757	28,864
	549,797	597,978
Auditors remuneration	138,737	156,110
Travelling expenses		
Conveyance	310,258	299,195
Staff Bus charges	1,171,800	1,381,100
Travelling	666,528	2,148,586
	2,148,586	1,227,425
2,907,720		
Administrative expenses:		
Rent Rates & Taxes	278,499	284,259
Printing & Stationery	57,440	70,160
Insurance Charges	103,758	112,851
Recruitment expenses	21,135	169,573
ISO Audit fees	49,920	-
Electricity Charges	1,530,666	1,335,946
Miscellaneous expenses	581,901	512,117
Provision for doubtful debts/advances (Refer Schedule 16 (ii) e)	-	2,623,319
2,484,905		
Total	<u>5,460,439</u>	<u>6,146,713</u>
Schedule 15 - Prior Period Item		
Foreign Exchange Fluctnation	-	102,911
	-	<u>102,911</u>

Schedule 16

Significant Accounting Policies and Notes to Accounts Annexed to the Balance Sheet as at March 31,2009 and the Profit and Loss Account for the year ended March 31,2009.

i) **Significant Accounting Policies:**a) **Basis for preparation of financial statement:**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

b) **Fixed Assets and Depreciation:**

Fixed assets are stated at Cost of acquisition. Depreciation is provided on Straight Line Method and at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. However, office equipments are depreciated at 6.33 % on Straight Line Method.

c) **Investments:**

Investments are classified into long term and current investments. Long Term investments are stated at cost and diminution in value is provided for, where the management is of the opinion that the diminution is of permanent nature. Current investments are stated at lower of cost or market value.

d) **Sundry Debtors and Loans and Advances:**

Sundry Debtors and Loans and Advances are stated after making adequate provision for doubtful balances.

e) **Revenue Recognition:**

Revenue is recognised when no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods or rendering the service.

f) **Retirement Benefits:**

Contributions to Provident Fund are charged to Profit and Loss Account on an accrual basis. Provision for gratuity and leave benefits is determined as per actuarial valuation at the year end and charged to the Profit and Loss Account.

g) **Foreign Exchange Transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange difference arising out of the said transactions other than those relating to fixed assets are recognised in the Profit and Loss Account. Exchange difference in respect of liabilities incurred for the acquisition of fixed assets are adjusted to the cost of the assets.

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the balance sheet date.

h) **Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

i) **Taxation:**

Income tax expense comprises of current tax, deferred tax charge or credit and fringe benefit tax. The deferred tax charge or credit is recognised using current tax rates. Where there is an unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.

j) **Contingent liability:**

Contingent liability are usually not provided for unless it is probable that the future outcome may be materially detrimental to the Company.

k) **Segment Reporting:**

The Company is principally engaged in the business of Business process outsourcing which is the only reportable segment as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India on "Segment Reporting".

ii) **Notes to Accounts:**

a) **Commitment and Contingencies**

	As at 31st Mar, 2009 Rupees	As at 31st Mar, 2008 Rupees
Estimated amount of contract remains to be executed on capital account and not provided for against which advance has been paid	Nil	Nil
Any claim against the Company not acknowledged as debts	None	None

- b) The Company has carry forward loss of business available for set-off against the future profits under the Income Tax Act, 1961. Considering the nature of business, viz. uncertainty regarding generation of sufficient future income for set off against the said carry forwards, net deferred tax assets at the year end including related credit for the year have not been recognised in these accounts on prudent basis.
- c) In the opinion of the board the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the sums stated.
- d) The balance of sundry debtors, deposits, advances and sundry creditors are subject to confirmation.
- e) The Company has to receive sums aggregating to Rs.2,98,393/- from Khandelwals Ltd; London, a Company under the same management. These sums are old outstandings which are unreconciled and supporting documents are not available. Therefore as a prudent policy the said amount has been provided as doubtful. Under the circumstances, the auditors have relied upon the judgement of the Management.
- f) Previous year's figures are reclassified and/or regrouped and/or rearranged wherever necessary.
- g) In the absence of relevant information with the company, the names of small scale industrial undertakings to whom the company owes any sum together with interest outstanding for more than 30 days have not been given. This management representation has been relied upon by the Auditors.
- h) The Company has been granted STP approval from Software Technology Park of India (STPI) vide letter no STPI/MUM/VIII(A)(393)/2000(03)/(SKA)/3577 dated 25.05.2009 valid upto 1st December 2012.

iii) Disclosures as required under AS-18, "Related Party Disclosures" are given below:

a) **Name and Nature of Relationship of the Related Parties where Control Exists:**

Name of the Related Party	Nature of Relationship
a) Khandelwals Limited, London	Holding Company
b) Informed Financial US Inc.	Wholly owned Subsidiary Company
c) Nagpur Power & Industries Ltd	Associate Company
d) Magnachem Pharmaceuticals Pvt. Ltd	Associate Company
e) Meteor Metals & Ores Ltd.	Associate Company
f) Zeppelin Investments Pvt. Ltd.	Associate Company

b) **Name of the Related Parties having Transaction with the Company during the Year and the details of transactions carried out with them :**

1. Enterprises owned or significantly influenced by any management Personnel or their relatives
- a) Nagpur Power & Industries Limited
- | | |
|----------------------------|---------------------------|
| - Advance Taken and Repaid | Rs.21,26,766/Rs.21,26,766 |
|----------------------------|---------------------------|
- b) Informed Financial USA Inc.
- | | |
|--------------------------------------|--------------|
| - Business development fees | Rs.21,35,358 |
| - Foreign Exchange Fluctuation (Net) | Rs. 31,711 |

2. Key Management Personnel	Designation	(In Rupees)
a) Mr.Gautam Khandelwal	Chairman	Nil
b) Mrs. Suelve Khandelwal	Director	Rs. 4,00,000
c) Mr. Arnold Allen Professional Fees	Director	Rs. 2,03,535

3. Relatives of Key Management Personnel*

————— Nil —————

* The Company does not have an exhaustive list of business or professions in which relatives of directors of the company have substantial interest. As such, payments made to any such persons, if any have not been identified. This management representation has been relied upon by the Auditors.

c) Balance Outstanding As At 31st March, 2009

	Maximum Outstanding Balance (Rs.)	Receivable (Rs.)	Payable (Rs.)
1 Related Parties where control exists			
a) Khandelwals Limited., London	2,98,393 (2,98,393)	2,98,393 (2,98,393)	Nil (Nil)
b) Informed Financial USA Inc	14,57,503 (15,11,001)	Nil (Nil)	8,46,856 (9,76,625)
c) Nagpur Power and Industries Limited	3,29,176 (3,22,339)	Nil (Nil)	Nil (Nil)
d) Magnachem Pharmaceuticals Private Limited	74,55,954 (74,55,954)	74,55,954 (74,55,954)	Nil (Nil)
e) Meteor Metals & Ores Limited	Nil (Nil)	Nil (Nil)	Nil (Nil)

Figures in brackets are related to previous year

2. Key Management Personnel

	Maximum Outstanding Balance (Rs.)	Receivable (Rs.)	Payable (Rs.)
a) Mr.Gautam Khandelwal	Nil (Nil)	Nil (Nil)	Nil (Nil)
b) Mr.Arnold Allen	2,03,535 cr (1,52,339 cr)	Nil Nil	Nil (1,22,340 cr)
c) Mrs. Ayesha Patel	Nil (3,229)	Nil (3,229)	Nil (Nil)
d) Mrs.Suelve Khandelwal	48,300 (Nil)	Nil (Nil)	33,579 (Nil)

Figures in brackets are related to previous year

3 Relatives of key Management Personnel

	Maximum Outstanding Balance (Rs.)	Receivable (Rs.)	Payable (Rs.)
		————— Nil —————	

iv) Earnings Per Share:

		For the year ended 31 st Mar, 2009	For the year ended 31 st Mar, 2008
Profit/(Loss) for the year (Rs.)	(A)	21,104,037	1,33,61,340
Number of Equity Shares Outstanding	(B)	41,69,100	41,69,100
Earnings per share of Rs.10 each	(A/B)	5.062	3.205

v) Additional information pursuant to the provisions of Paragraphs 3 (i)(a), 4B, and 4D of part II of the Schedule VI of the Companies Act, 1956 :

	For the Year ended 31st Mar, 2009 Rupees	For the Year ended 31st Mar, 2008 Rupees
a) Auditor's Remuneration (excluding Service Tax)		
Audit Fees	55,000	55,000
Taxation matters including tax audit	35,000	35,000
Certification work and other matters	46,680	65,253
Out of pocket expenses	2,057	857
TOTAL	138,737	1,56,110
b) Sales		
Business Process Outsourcing *	2,17,42,622	2,96,23,577
[Net of returns relating to previous year Rs.77,766/- (In previous year Rs. Nil)]		
TOTAL	2,17,42,622	2,96,23,577
c) Value of imports calculated on CIF basis during the year		
Components and spares	Nil	Nil
Capital goods	Nil	Nil
TOTAL	Nil	Nil
* This activity is not capable of being expressed in generic units and hence, its quantitative information, is not provided.		
d) Expenditure in Foreign Currency:		
Other matters :		
Foreign Travel	2,07,953	5,64,082
Business Development Fees	21,35,358	61,51,360
Data Processing charges	4,89,084	8,76,087
[Net of returns relating to the previous year Rs.15,169/- (In previous year Nil)]		
Legal & Consultancy	2,03,535	67,200
TOTAL	30,35,930	76,58,729
e) Earnings in Foreign Exchange :		
Business Process Outsourcing	2,17,42,622	2,96,23,577
TOTAL	2,17,42,622	2,96,23,577
f) The Information with regards to paragraphs 3(ii) (a) and 4C of part II of the Schedule VI do not apply to the company.		

Signature to Schedules 1 to 16, which form an integral part of the accounts.

As per our report of even date annexed

**For M.V. Ghelani & Co.
Chartered Accountants**

**M. V. Ghelani
Proprietor**

Mumbai, 30th June, 2009

For and on behalf of the board

**Gautam P. Khandelwal
Chairman**

**Smt. Suelve G. Khandelwal
Executive Director**

Mumbai, 30th June, 2009

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

	Amount in Rupees	
	For the year ended 31st March, 2009	For the year ended 31st March, 2008
	Rs.	Rs.
Cash From Operating Activities		
Net Profit/(Loss) before tax and prior period items	25,947,037	16,905,251
Adjustments for :		
Depreciation	1,383,163	1,298,824
Interest Expenses	-	-
Dividend Income	(1,836,389)	(710,218)
Interest Income	(15,713)	(203,244)
Profit on redemption of Investments	(3,574)	(761)
Foreign Exchange Loss/(Gain)	(92,536)	560,993
Provision for diminution in value of investments	-	375
Sundry Balances Written back	-	(34,179)
	<u>(565,050)</u>	<u>911,790</u>
Operating Profit before working capital changes	25,381,987	17,817,042
Adjustment for		
Trade Receivables	807,340	4,028,003
Loans and Advances	-	-
Other Current Assets	(4,250,282)	(1,702,058)
Trade Payables	<u>6,099,831</u>	<u>1,131,475</u>
Cash generated from Operations	28,038,876	21,274,462
Cash Flow before Prior Period Adjustments & Extra Ordinary Items	28,038,876	21,274,462
Prior period adjustment and extraordinary item		
Sundry Balances Written back	-	34,179
Prior period items	-	(102,911)
Proposed dividend	(4,169,100)	-
Dividend distribution tax	(708,539)	-
Income tax	<u>(4,843,000)</u>	<u>(3,441,000)</u>
Net cash from Operating Activities (A)	18,318,237	17,764,730
Cash From Investing Activities		
Purchase of Fixed Assets	(70,180)	(1,462,051)
Purchase of Investments	(21,135,868)	(19,609,754)
Dividend Income	1,836,389	710,218
Sale of Investment	1,500,000	761
Interest Income	<u>15,713</u>	<u>203,244</u>
Net cash from Investing Activities (B)	(17,853,946)	(19,158,343)
Cash Flow From Financing Activities		
Interest Paid	-	-
Proceeds from Secured Loan	-	-
Repayment of Loan	-	-
Net Cash Provided by/(Used in) Financing Activities (C)	-	-
Net Increase in Cash and Cash Equivalents (A+B+C)	464,291	(1,393,613)
Cash & Cash Equivalent at the Beginning of the Period	1,276,892	2,670,505
Cash & Cash Equivalent at the end of the Period	1,741,183	1,276,892

For M.V.Ghelani & Co.
Chartered Accountants

For and on behalf of the board
Gautam P. Khandelwal
Chairman

M. V. Ghelani
Proprietor

Smt.Suelve G. Khandelwal
Executive Director

Mumbai: 30th June, 2009

Mumbai: 30th June, 2009

AUDITOR'S CERTIFICATE

To,
The Board of Directors
Informed Technologies India Limited
"Nirmal", 20th Floor, Nariman Point,
Mumbai - 400 021.

We have examined the attached Cash Flow Statement of Informed Technologies India Limited for the year ended 31st March, 2009. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchange and is based on and is derived from and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For M.V. Ghelani & Co.,
Chartered Accountants

M.V. Ghelani
Proprietor
Mumbai: 30th June, 2009

**Balance Sheet Abstract and Company's General Business Profile
As per Schedule VI, part (IV) of the Companies Act, 1956**

I Registration Details

Registration No.	0	1	1	0	0	1
State Code					1	1
Balance Sheet Date	3	1	0	3	0	9

II Capital Raised during the year (Rs.in Thousands)

Public Issue	N	I	L
Right Issue	N	I	L
Bonus Issue	N	I	L
Private Placment	N	I	L

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Source of Funds					
Total Liabilities	6	7	4	3	0
Total Assets	6	7	4	3	0
Paid up Capital	4	1	6	9	1
Reserves & Surplus	2	5	7	3	9
Secured Loans			N	I	L
Unsecured Loans			N	I	L
Net Fixed Assets	3	2	8	0	3
Investments	4	0	1	1	9
Net Current Assets		(5	4	9	2)
Accumulated Losses			N	I	L

IV Performance of Company (Amount in Rs.Thousands)

Total Income	4	3	6	8	1
Total Expenditure	1	6	3	5	0
Profit Before Tax	2	5	9	4	7
Profit After Tax	2	1	1	0	4
Earning per Share in Rs.	5		0	6	2
Dividend rate %				1	0

V Generic Names of three principal products/service of Company (As per monetary terms)

Item Code No.(ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E		
Product Description	B	U	S	I	N	E	S	S		P	R	O	C	E	S	S
	O	U	T	S	O	U	R	C	I	N	G					

**For M.V.Ghelani & Co.
Chartered Accountants**

**M. V. Ghelani
Proprietor**

Mumbai: 30th June, 2009

**For and on behalf of the board
Gautam P. Khandelwal
Chairman**

**Smt. Suelve G. Khandelwal
Executive Director**

Mumbai: 30th June, 2009

Statement pursuant to Section 212 of the Companies Act, 1956.

Name of the Subsidiary Company	Financial year ending of the Subsidiary	Number of Shares held	Extent of holding	For Financial Year of the Subsidiary		For the previous Financial Years since it became a Subsidiary	
				Profits/(Losses) so far it concerns the members of the Holding Company and not dealt within the books of Account of the Holding Company (Except to the extent dealt within Col.6)	Profits/(Losses) so far it concerns the members of the Holding Company and dealt within the books of Account of the Holding Company.	Profits/(Losses) so far it concerns the members of the Holding Company and not dealt within the books of Account of the Holding Company (Except to the extent dealt within Col.8)	Profits/(Losses) so far it concerns the members of the Holding Company and dealt within the books of Account of the Holding Company.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Informed Financial USA, Inc	31st December, 2008	100 shares of fifty dollar per share i.e. US \$ 5000	100%	(607,976)	Nil	428,555	Nil

For and on behalf of the Board

**Gautam P. Khandelwal
Chairman**

Mumbai: 30th June, 2009

STATEMENT REGARDING SUBSIDIARY COMPANIES

Name of the Subsidiary Company	As at	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit (Loss) after Taxation
Informed Financial USA Inc	31st December, 2008	248,600	884,718	1,573,091	1,573,091	3,530,120	(564,720)	43,256	(607,976)

Converted into Indian Rupees at the Exchange rate, 1 USD = Rs 49.72 as on 31st Dec 2008.

For and on behalf of the Board

**Gautam P. Khandelwal
Chairman**

Mumbai: 30th June, 2009

**TO THE BOARD OF DIRECTORS OF
INFORMED TECHNOLOGIES INDIA LIMITED
REPORT OF THE AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the attached Consolidated Balance Sheet of Informed Technologies India Limited ("the Company") and its subsidiary Informed Financials USA, Inc. (Collectively referred to as "the Group"), as at 31st March, 2009, the Consolidated Profit and Loss account and Consolidated 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 generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the foreign subsidiary viz. Informed Financial USA, Inc, whose Financial Statements reflect total assets of US\$ 31,639 as at 31st December 2008 and total revenue of US\$ 71,000 for the year ended 31st December 2008 as considered in the Consolidated Financial Statements. These financial statements and other information have been compiled by an independent firm of Accountants, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The compilation is limited to presenting in the form of financial statements information that is the representation of management. The accountants have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. Our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based on their report.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards issued by the Institute of Chartered Accountants of India viz. Accounting Standard (AS) - 21, Consolidated Financial Statements, the Accounting Standard Interpretations and amendments issued thereto, to the extent applicable for the year ended 31st March, 2009 and on the basis of the separate audited financial statements of Informed Technologies India Limited and it's subsidiary Informed Financial USA, Inc. included in the consolidated financial statements.

Based on our audit and on consideration of the said report of other auditor on separate financial statements and the other financial information of the subsidiary and *subject to our comments in paragraph three above the effect whereof on the accounts is not ascertainable*, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009;
- (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date;
and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For M.V. GHELANI & CO.
CHARTERED ACCOUNTANTS**

**(M. V. GHELANI)
PROPRIETOR**

Place : Mumbai
Dated : 30th June 2009

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
I. SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	41,691,000	41,691,000
Reserves and Surplus	2	26,653,482	10,675,032
Total		68,344,482	52,366,032
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	46,080,710	46,010,530
Less : Depreciation		13,277,319	11,894,156
Net Block		32,803,391	34,116,374
Investments	4	39,899,753	20,260,311
Current Assets, Loans and Advances			
Sundry Debtors	5	3,152,464	3,655,079
Cash and Bank Balances	6	1,747,945	1,534,317
Other Current Assets, Loans and Advances	7	13,251,025	9,052,545
		18,151,433	14,241,941
Less : Current Liabilities and Provisions			
Liabilities	8	8,746,943	12,295,487
Provisions	9	13,763,151	3,957,107
		22,510,094	16,252,594
Net Current Assets		(4,358,661)	(2,010,653)
Total		68,344,482	52,366,032
Significant Accounting Policies and Notes to Accounts	16		

The Schedules and Notes to account referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

As per our report of even date annexed

For M.V. Ghelani & Co.
Chartered Accountants

M. V. Ghelani
Proprietor

Mumbai, 30th June, 2009

For and on behalf of the board

Gautam P. Khandelwal
Chairman

Smt. Suelve G. Khandelwal
Executive Director

Mumbai, 30th June, 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year ended 31st March, 2009 Rupees	Year ended 31st March, 2008 Rupees
I. INCOME			
Sales and Services	10	22,718,090	29,882,550
Other Income	11	21,937,987	15,868,811
TOTAL INCOME	A	44,656,077	45,751,361
II. EXPENDITURE			
Payment to and provision for employees	12	6,939,075	12,838,641
Operating expenses	13	44,02,605	5,690,807
Administrative and other expenses	14	6,481,840	8,485,740
TOTAL EXPENDITURE	B	17,823,520	27,015,188
Profit/ (Loss) Before interest and depreciation A-B		26,832,557	18,736,173
Depreciation		1,383,163	1,298,824
Profit/ (Loss) before taxation.		25,449,394	17,437,348
Payment and provision for Taxation			
- Current Tax		4,855,119	3,482,714
- Deferred Tax		-	-
- Fringe Benefit Tax		26,000	41,000
- Adjustment of Previous year		-	-
Profit for the year before prior period item		20,568,275	13,913,634
Prior period item	15	-	102,911
Profit after taxation and prior period item		20,568,275	13,810,723
Add: Profit/(Loss) brought forward from previous year		10,328,137	(2,982,586)
Less: Appropriations			
Proposed Dividend		4,169,100	
Dividend distribution tax		708,539	
Balance of Profit & Loss A/c carried to Balance Sheet		26,518,773	10,828,137
Earning Per Share (Basic & Diluted)		4.934	3.313
Significant Accounting Policies and Notes to accounts			
	16		

The Schedules and Notes to account referred to above form an integral part of the Profit and Loss Account.
This is the Profit and Loss Account referred to in our report of even date.

As per our report of even date annexed

For M.V. Ghelani & Co.
Chartered Accountants

M. V. Ghelani
Proprietor

Mumbai, 30th June, 2009

For and on behalf of the board

Gautam P. Khandelwal
Chairman

Smt. Suelve G. Khandelwal
Executive Director

Mumbai, 30th June, 2009

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March,2009 Rupees	As at 31st March,2008 Rupees
Schedule 1 - Share Capital		
Authorised		
7,000,000 Equity Shares of Rs.10 each	70,000,000	70,000,000
50,000 15% (Free of Company's tax, but subject to deduction of tax at source at the prescribed rates) "A" Cumulative Redeemable Preference Shares of Rs. 100 each	5,000,000	5,000,000
	<u>75,000,000</u>	<u>75,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
4,169,100 Equity Shares of Rs.10 each fully paid up	41,691,000	41,691,000
	<u>41,691,000</u>	<u>41,691,000</u>

NOTES :

Of the above equity shares,

- (i) 1,369,100 Equity shares were allotted as fully paid up by way of Bonus shares by capitalisation of General Reserve.
- (ii) 2,678,220 Equity shares are held by Khandelwals Limited, Holding company.

Schedule 2 - Reserves and Surplus

Foreign Currency Translation Reserve on Consolidation		
Opening balance	(153,104)	(19,224)
Add :Foreign Currency Translation for the year	287,813	(133,880)
	<u>134,709</u>	<u>(153,104)</u>
Profit and Loss Account	<u>26,518,773</u>	<u>10,828,137</u>
Total	<u>26,653,482</u>	<u>10,675,033</u>

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule 3 - Fixed Assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions during the year	Deletions/ adjustments during the year	Cost As at 31.3.2009	Upto 31.03.2008	For the year	Adjustments on deduction transfer	Upto 31.3.2009	As at 31.3.2009	As at 31.3.2008
Buildings (Refer notes 1 & 2)	32,537,152	-	-	32,537,152	4,387,090	530,356	-	4,917,445	27,619,707	28,150,062
Furniture & Fixtures	3,604,872	-	-	3,604,872	1,372,698	181,904	-	1,554,602	2,050,270	2,232,174
Electrical Installation	828,863	-	-	828,863	232,532	39,371	-	271,903	556,960	596,331
Office Equipments	2,465,295	-	-	2,465,295	1,572,900	104,838	-	1,677,738	787,557	892,395
Computers including Computer Software	6,574,347	70,180	-	6,644,527	4,328,937	526,694	-	4,855,630	1,768,897	2,245,411
Total	46,010,530	70,180	-	46,080,710	11,894,156	1,383,163	-	13,277,319	32,803,391	34,116,374
Previous year	44,548,479	1,462,051	-	46,010,530	10,595,332	1,298,824	-	11,894,156	34,116,374	33,953,147

Notes :

Buildings Include:

- (1) The face value of shares held in co-operative housing societies amounting to Rs.81,750/- viz:
 (a) Shree Nirmal Commercial Limited: 765 shares of Rs.100 each fully paid up and
 (b) The Malabar Hill Co-Operative Housing Society Limited: 105 shares of Rs.50 each fully paid up and the Net Block of both the above premises included herein is Rs.19,476,105/- (Previous Year Rs.19,864,366/-)
 The above share certificates are held in the former name Khandelwal Ferro Alloys Ltd.
- (2) Unit No.302 & 303 at Mahape, Gross Block whereof is Rs.55,07,800/- (Previous Year Rs.55,07,800/-) acquired from MIDC on 95 years lease basis. The lease documents have yet to be executed.

	As at 31st March,2009 Rupees	As at 31st March,2008 Rupees
--	------------------------------------	------------------------------------

Schedule 4 - Investments

A. LONG TERM (At Cost Less permanent diminution in value (if any))

Non Trade

Fully paid-up Equity Shares (Quoted)

Zenith Birla (India) Limited (Formerly Known as Zenith Ltd.)

622

622

[18 Equity shares (Previous year :18) of Rs 10 each]

Gujarat Steel Tubes Limited

375

375

[180 Equity Shares (Previous year : 180) of Rs. 10/- each]

Less: Provision for diminution in value of investments

375

375

Mahinda & Mahindra Financial Services Ltd

23,200

23,822

23,200

23,822

[116 Equity Shares (Previous year : 116) of Rs. 10/- each]

Nagpur Power & Industries Limited

[45000 Equity Shares (Previous year : Nil) of Rs.10/- each]

1,800,000

Total (A)

1,823,822

23,822

B. CURRENT (At lower of cost or market value)

In Mutual Funds (Unquoted)

In Units of SBI Mutual fund

(3,704,830 Units (Previous year: 19,72,881 Units) of Magnum

38,075,931

20,236,489

Insta Cash Fund Liquid Floater Plan-Dividend.

Total (B)

38,075,931

20,236,489

Total Investments (A) + (B)

39,899,753

20,260,311

Aggregate Cost of quoted Investments

1,823,822

23,822

Aggregate Market Value of quoted Investments

839,018

33,574

Aggregate cost of unquoted Investments

38,075,931

20,236,489

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March,2009 Rupees	As at 31st March,2008 Rupees
Schedule 5 - Sundry Debtors		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered doubtful or Bad	298,393	298,393
Less: Provision for Doubtful debts	298,393	298,393
Total	<u>-</u>	<u>-</u>
Other Debts		
Considered Good	3,152,464	3,655,079
Total	<u>3,152,464</u>	<u>3,655,079</u>
Grand Total	<u>3,152,464</u>	<u>3,655,079</u>
Schedule 6 - Cash and Bank Balances		
Cash in hand	56,131	61,200
Balance with Banks		
- In Current Accounts	1,662,893	1,450,617
- In Margin Money for issue of bank guarantee	28,921	22,500
Total	<u>1,747,945</u>	<u>1,534,317</u>
Schedule 7 - Other Current Assets , Loans and Advances		
(Unsecured)		
(a) Considered good		
Deposits	1,089,499	1,041,338
Advances recoverable in cash or in kind or for value to be received	313,475	334,687
Prepaid expenses	91,906	311,722
Advance payment of Taxes	11,030,331	6,853,224
Service tax credit	720,814	511,573
Sub Total (a)	<u>13,251,025</u>	<u>9,052,545</u>
(b) Considered doubtful		
Advances recoverable in cash or in kind or for value to be received		
(of which, Due from a Company under the same Management		
Rs.74,55,954 (Previous year Rs.74,55,954) Maximum amount due during		
the year and during the previous year is same)	7,455,954	7,455,954
Less: Provision for doubtful advances	7,455,954	7,455,954
Sub Total (b)	<u>-</u>	<u>-</u>
Total (a + b)	<u>13,251,025</u>	<u>9,052,545</u>

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March,2009 Rupees	As at 31st March,2008 Rupees
Schedule 8 - Liabilities		
Sundry Creditors		
(I) Due to small scale of the Holding Company industrial undertaking (Refer Shedule No.16 (ii) g of the holding company)	-	-
(ii) Others	1,200,621	1,571,314
Security Deposits	6,678,000	7,353,000
Other Liabilities	868,322	3,371,173
Total	<u>8,746,943</u>	<u>12,295,487</u>
Schedule 9 - Provisions		
Provision for :		
Gratuity	234,572	151,415
Leave Salary	82,632	80,384
Income Tax	8,217,000	3,400,000
Proposed Dividend	4,169,100	-
Dividend distribution tax	708,539	-
Fringe Benefit Tax	351,308	325,308
Total	<u>13,763,151</u>	<u>3,957,107</u>

CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the year ended 31st March,2009 Rupees	For the year ended 31st March,2008 Rupees
Schedule 10 - Sales and Services		
Data Outsourcing Charges-BPO	22,718,090	29,882,550
[Net of returns relating to previous year Rs.77,766/- (In Previous year Rs.Nil)]		
Total	<u>22,718,090</u>	<u>29,882,550</u>
Schedule 11 - Other Income		
Other Interest	15,713	203,244
(Tax deducted at source Rs Nil (Previous year Rs.6,954/-)		
Dividend from Investments	1,836,389	710,218
Rental/Business Centre Charges	19,989,774	14,900,000
(Tax deducted at source Rs.41,02,075/- (Previous year Rs.34,02,439)		
Profit on sale of Investments	3,574	761
Excess provision for gratuity/Leave salary w/back	-	53,600
Leave salary (Gain)	-	988
Foreign Exchange gain	92,536	-
Total	<u>21,937,987</u>	<u>15,868,811</u>

CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the year ended 31st March,2009 Rupees	For the year ended 31st March,2008 Rupees
Schedule 12 - Payments to and Provision for Employees		
Salaries	6,556,451	12,120,992
Contribution to Provident Fund	261,739	385,963
Staff Welfare	120,885	331,686
Total	<u>6,939,075</u>	<u>12,838,641</u>
Schedule 13 - Operating Expenses		
Webhosting Charges	172,526	175,616
FTP Hosting charges	-	595
Communication charges	1,104,852	1,712,255
Professional fees	2,149,246	1,051,351
Membership & Subscription	171,152	375,522
Software expenses	17,620	18,028
Computer Hire charges	270,750	789,250
Computer maintenance charges	20,625	7,360
Data Processing/Management charges [Net of returns relating to previous year Rs.15,169/- (In Previous year Rs.Nil)]	489,084	876,087
Network maintenance charges	6,750	123,750
Foreign exchange fluctuation	-	560,993
Total	<u>4,402,605</u>	<u>5,690,807</u>
Schedule 14 - Administrative and Other Expenses		
Repairs and Maintenance		
-Building Maintenance charges	538,040	569,114
-Repairs to others	11,757	28,864
Auditors remuneration	138,737	156,110
Travelling expenses		
Conveyance	310,258	299,195
Staff Bus charges	1,171,800	1,381,100
Travelling	738,909	2,275,783
Administrative expenses:		
Rent Rates & Taxes	1,187,211	1,081,291
Printing & Stationery	68,569	133,126
Insuance Charges	125,315	129,973
Recruitment expenses	21,135	169,573
ISO Audit fees	49,920	
Electricity Charges	1,530,666	1,335,946
Miscellaneous expenses	589,525	925,667
Total	<u>6,481,840</u>	<u>8,485,740</u>
Schedule 15-Interest		
Foreign Exchange Fluctuation	-	102,911.00
Total	<u>-</u>	<u>102,911.00</u>

Schedule 16

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements.

1. The Consolidated Financial statements relate to Informed Technologies India Limited (the Parent Company), and Informed Financial USA Inc.(Wholly Owned Subsidiary company).
2. The name, country of incorporation or residence, proportion of ownership interest and reporting dates of the subsidiary company is as follows :

Name of the Subsidiary	Country of Incorporation	Parent's ultimate holding as on 31st March,2009	Financial year ends on
Informed Financial USA Inc	USA	100%	31/12/2008

3. The financial statements are prepared on the following basis:
 - (i) Considering that Financial Statements of the Subsidiary have been prepared under the laws and regulations applicable to the State of Delaware, United States of America, these Consolidated financial statements have been prepared substantially in the same format adopted by the parent to the extent possible, as required by the Accounting Standard AS 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI).
 - (ii) On Consolidation all monetary and non monetary Assets and Liabilities of the Subsidiary have been translated at the exchange rate prevailing on 31st December,2008. Income and Expenditure have been translated at the daily average rate of exchange prevailing for the subsidiary's financial year. Translation losses and gains on the above are carried to "Foreign Currency Translation Reserve" for future adjustments. Foreign Exchange rates so applied are adjusted for any subsequent material fluctuations as compared to rates prevailing on 31st December 2008.
 - (iii) The financial statements of the Company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book value of like items assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits and losses. The excess or deficit of parent's portion of equity in subsidiary companies over its carrying cost on investments in subsidiary companies, if any, is treated as a capital reserve or goodwill respectively.
 - (iv) No adjustments have been made to the financial statements of the subsidiary on account of diverse accounting policies as the same, being incorporated in USA, have been prepared under the laws and regulations applicable to their country of incorporation and hence not practicable to do so. However, these accounting policies will not materially impact the consolidated financial statements.

4. Notes of these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the Companies. Recognising this purpose, the company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosures. Practical considerations made it desirable to exclude Notes to Financial Statements, which in the opinion of the management, could be better viewed, when referred from the individual Financial Statements. Notes referred to in these financial statements are references to the notes to the independent financial statements of Informed Technologies India Limited.
5. Significant Accounting policies followed by each of the consolidated companies are annexed to their respective financial statements. Due to inherent diversities in the legal and regulatory environment governing accounting principles, the accounting policies would be better understood when referred from the individual financial statements.
6. The Subsidiary has not reported any transactions with related parties. Hence disclosures in this regard are fairly reflected in the Statement of Related Party Transactions annexed to Schedule 16 (iii) to the independent financial statements of Informed Technologies India Limited.
7. Previous year's figures are reclassified and/or regrouped and/or rearranged wherever necessary.
8. Consolidated contingent liability not provided for:
The Subsidiary has not reported any contingent liabilities which are not provided for and outstanding at the close of their financial year. Hence contingent liabilities not provided for in respect of the parent are representative of the consolidated group and can be directly viewed in Schedule 16 Note (ii) (a) to the independent financial statements of the Parent.

As per our report of even date annexed

For M.V. Ghelani & Co.
Chartered Accountants

M. V. Ghelani
Proprietor

Mumbai, 30th June, 2009

For and on behalf of the board

Gautam P. Khandelwal
Chairman

Smt. Suelve G. Khandelwal
Executive Director

Mumbai, 30th June, 2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Amount in Rupees	
	For the year ended 31st March, 2009	For the year ended 31st March, 2008
	Rs.	Rs.
Cash From Operating Activities		
Net Profit/(Loss) before tax and prior period items	25,449,394	17,437,348
Adjustments for :		
Depreciation	1,383,163	1,298,824
Interest Expenses	-	-
Dividend Income	(1,836,389)	(710,218)
Interest Income	(15,713)	(203,244)
Exchange off on translation of foreign currency	287,813	(133,880)
Profit on redemption of Investments	(3,574)	(761)
Foreign Exchange Loss/(Gain)	(92,536)	560,993
Provision for diminution in value of investments	-	375
Sundry Balances Written back	-	(34,179)
	<u>(277,236)</u>	<u>777,910</u>
Operating Profit before working capital changes	25,172,158	18,215,258
Adjustment for		
Trade Receivables	595,153	3,734,662
Loans and Advances	-	-
Other Current Assets	(4,198,480)	(1,763,926)
Trade Payables	<u>6,257,500</u>	<u>817,810</u>
Cash generated from Operations	27,826,331	2,788,546
Cash Flow before Prior Period Adjustments & Extra Ordinary Items	27,826,331	21,003,804
Prior period adjustment and extraordinary item		
Sundry Balances Written back	-	34,179
Prior period items	-	(102,911)
Proposed dividend	(4,169,100)	-
Dividend distribution tax	(708,539)	-
Income tax	<u>(4,881,119)</u>	<u>(3,523,714)</u>
Net cash from Operating Activities (A)	18,067,753	17,411,358
Cash From Investing Activities		
Purchase of Fixed Assets	(70,180)	(1,462,051)
Purchase of Investments	(21,135,868)	(18,610,515)
Dividend Income	1,836,389	710,218
Sale of Investment	1,500,000	761
Interest Income	<u>15,713</u>	<u>203,244</u>
Net cash from Investing Activities (B)	(17,853,946)	(19,158,343)
Cash Flow From Financing Activities		
Interest Paid	-	-
Proceeds from Secured Loan	-	-
Repayment of Loan	-	-
Net Cash Provided by/(Used in) Financing Activities (C)	-	-
Net increase in Cash and Cash Equivalents (A+B+C)	213,628	(1,746,985)
Cash & Cash Equivalent at the Beginning of the Period	1,534,317	3,281,302
Cash & Cash Equivalent at the end of the Period	1,747,945	1,534,317

For M.V.Ghelani & Co.
Chartered Accountants

For and on behalf of the board
Gautam P. Khandelwal
Chairman

M. V. Ghelani
Proprietor

Smt.Suelve G. Khandelwal
Executive Director

Mumbai: 30th June, 2009

Mumbai: 30th June, 2009

AUDITOR'S CERTIFICATE

To,
The Board of Directors
Informed Technologies India Limited
"Nirmaal", 20th Floor, Nariman Point, Mumbai - 400 021.

We have examined the attached Consolidated Cash Flow Statement of Informed Technologies India Limited for the year ended 31st March, 2009. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchange and is based on and is derived from and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For M.V. Ghelani & Co.,
Chartered Accountants

M.V. Ghelani
Proprietor
Mumbai: 30th June, 2009

Accountant's Compilation Report

To,
The Stockholders
Informed Financial U.S.A, Inc,

We have compiled the accompanying balance sheet of Informed Financial USA, Inc(a corporation) as of December 31, 2008 and the related statement of income and retained earnings for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A Compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

The Members have elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Pandya, Kapadia & Associates, CPA, P.A
June 3, 2009.

INFORMED FINANCIAL USA, INC.		
BALANCE SHEET AS ON DEEMBER 31, 2008		
Particulars	31.12.2008	31.12.2007
	Amount	Amount
	(in \$)	(in \$)
ASSETS		
Current Assets:		
Cash in Bank & Cash Equivalents	136	6,527
Accounts Receivable	27,200	32,200
Prepaid Expenses	-	2,435
Total Current Assets	27,336	41,162
Other Assets:		
Deposits	4,303	4,303
Total Assets	31,639	45,465
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accrued Expenses	8,845	10,443
Total Current Liabilities	8,845	10,443
Stockholders' Equity		
Capital Stock	5,000	5,000
Retained Earnings	17,794	30,022
Total Stockholder's Equity	22,794	35,022
Total Liabilities & Members' Equity	31,639	45,465

INFORMED FINANCIAL USA, INC.		
STATEMENT OF INCOME & RETAINED EARNINGS		
FOR THE YEAR ENDED ON DECEMBER 31, 2008		
Particulars	31.12.2008	31.12.2007
	Amount	Amount
	(in \$)	(in \$)
Income		
Service Revenue	71,000	155,000
Operating Expenses:		
Salaries	22,606	71,784
Payroll Taxes	2,532	6,201
Bank Charges	174	298
Consulting Fees	29,167	-
Legal Fees	975	367
Professional Fees	3,375	4400
Membership and Seminars	1,776	4256
Travel	1,652	14,684
Insurance	492	414
Office supplies and Expenses	254	1,475
Rent	18,208	18,086
Telephone	649	3,396
Payroll Service Fees	498	1,242
Immigration visa Processing	-	10,665
Dues and subscriptions	-	1,328
Miscellaneous	-	3,538
Total Operating Expenses	82,358	142,134
Net Income before Taxes	-11,358	12,866
Less: Taxes	870	2,000
Net Income after Taxes	-12,228	10,866

