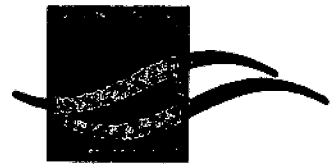


BRELS



INFOTECH LTD.

CERTIFIED TRUE COPY

BRELS INFOTECH LTD.

J. S. S. S.
Official/Authorized Signatory

REPORTJUNCTION.COM

23nd
ANNUAL REPORT
2007 - 2008

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



NOTICE

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

Ordinary Business :-

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

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

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

NOTES :

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



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

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

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



DIRECTORS' REPORT

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

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

FINANCIAL RESULTS

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

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

DIVIDEND

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

REVIEW OF OPERATIONS

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



CAPITAL STRUCTURE

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

CURRENT PERFORMANCE

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

BONUS ISSUE

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

DIRECTORS

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) in the preparation of Annual Accounts for the Financial Year 2007-2008 the applicable Accounting Standards had been followed and no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss of the company for that period;
- c) to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d) they have prepared the Annual Accounts on a going concern basis.

DEPOSITS

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

AUDITORS & THEIR REPORT :

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

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

APPOINTMENT OF MANAGING DIRECTOR

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

COMPLIANCES

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

CORPORATE GOVERNANCE

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

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

STATUTORY INFORMATION :

(1) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

(2) FOREIGN EXCHANGE INCOME AND OUTGO

	Current Year	Previous Year
Foreign Exchange Earned :	Rs. NIL	Rs. NIL
Foreign Exchange Outgo :	Rs. NIL	Rs. NIL

(3) EMPLOYEES PARTICULARS

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

PERSONNEL/INDUSTRIAL RELATIONS

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

APPRECIATION

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

Place : Kolkata
Date : 1st July, 2008

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

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

1. COMPANY'S PHILOSOPHY

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

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

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

2. BOARD OF DIRECTORS

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

(i) Composition & Category of Directors

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

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

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

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

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

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

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

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

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

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

(iv) Number & Dates of Board Meetings

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

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

3. BOARD PROCEDURE

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

4. BOARD COMMITTEE

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

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



5. AUDIT COMMITTEE

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

The terms of reference of the Audit Committee includes :

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

Meeting & attendance during the year

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

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

6. SHARE TRANSFER COMMITTEE / INVESTORS GRIEVANCE COMMITTEE

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

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

7. REMUNERATION COMMITTEE

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

Details of Remuneration paid to the Directors :

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

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

8. NAME AND DESIGNATION OF COMPLIANCE OFFICER

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

Mr. J.Tiwari

Company Secretary

Brels Infotech Ltd.

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