



ELEVENTH ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

Mr. Ketan Sheth

Chairman & Managing Director

Mr. Kishore Hegde

Non-Executive & Independent Director

Mr. M. N. Chaturvedi #

Non-Executive & Independent Director

Appointed w.e.f.1st February 2011 as an Additional Director

STATUTORY AUDITORS

M/s Gadgil & Co., Chartered Accountants

118-B, Mittal Tower,
210, Nariman Point,
Mumbai-400 021

REGISTERED OFFICE

3A, Udyog Nagar,
S.V. Road, Goregaon (West),
Mumbai- 400 062

REGISTRARS AND SHARE TRANSFER AGENTS

Universal Capital Securities Private Limited
(Formerly Known as Mondkar Computers Private Limited)
21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East),
Mumbai-400093
Tel: 28207203/04/05 Fax : 28207207
Email: info@unisec.in

BANKERS

ICICI Bank Limited
HDFC Bank Limited
Abu Dabhi Commercial Bank

CORPORATE IDENTIFICATION NUMBER (CIN)

L72900MH2000PLC123796

**Eleventh Annual General Meeting on Thursday, the 29th day of September, 2011 at 10.00 AM
at Event Banquet, Near Filmistan Studio, S. V. Road, Goregaon (W), Mumbai - 400 062.**

Topics Contents

Notice	3
Chairman Review	8
Report of the directors	9
Management Discussion and Analysis	15
Corporate Governance	18
Auditors Report (Consolidated & Stand Alone)	33 & 50
Balance Sheet (Consolidated & Stand Alone)	35 & 55
Profit & Loss Account (Consolidated & Stand Alone)	36 & 56
Cash flow statement (Consolidated & Stand Alone)	37 & 57
Schedules (Consolidated & Stand Alone)	38-49 & 58-68
Significant Accounting policies (Consolidated & Stand Alone)	43-46 & 62-64
Director's Report & Financial Information of Subsidiaries	9 & 71
Attendance Slip & Proxy form	72

ATTENTION

Shareholders please note that pursuant to recent changes in applicable laws and regulations, in order to receive and participate in all corporate actions of the Company, you are requested to:-

- Inform our Registrar/Depository Participants, if not already done earlier, for updating details of your PAN number. Non-submission of PAN number is a cause of rejection especially by shareholders holding securities in physical form.
- Inform your Depository Participant to reactivate your account for credit actions. Frozen Demat Accounts may lead to non-credit/delayed credit of securities allotted to your account.



ELEVENTH ANNUAL REPORT 2010-2011

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the Members of IT People (India) Limited will be held on Thursday , 29th September , 2011 at 10.00 AM at Event Banquet, Near Filmistan Studio, S.V.Road, Goregaon West, Mumbai 400062 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider & adopt the Audited Balance Sheet as on 31st March 2011 and Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kishore Hegde, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare Dividend on Equity shares for the financial year ended on 31st March 2011.
4. To appoint M/s Gadgil & Co. Chartered Accountants, Mumbai having Firm Registration No. 102876W as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT Mr. M.N. Chaturvedi who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st Day of February, 2011 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 (“the Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.”

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

"RESOLVED THAT pursuant to the provisions of section 269 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Ketan Sheth be and is hereby re- appointed as Managing Director of the Company for a period of 5 (five) years with effect from January 09, 2011."

"RESOLVED FURTHER THAT Mr. Ketan Sheth will be initially paid the remuneration of ₹. 1/- (Rupee one only.)"

"RESOLVED FURTHER THAT Mr. Ketan Sheth, Managing Director be charged with the responsibility of overall business administration of the Company and be and is hereby authorized to sign all the documents, letters, deeds, agreements on behalf of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

Date: 02/09/2011

Place: Mumbai

**By order of the Board of Directors
For IT People (India) Ltd.**

**Registered Office:
IT People (India) Limited
3A Udyog Nagar , S V Road,
Goregaon West, Mumbai-400062**

**sd/-
Ketan Sheth
Chairman & Managing Director**

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/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956 setting out the material facts concerning the special business mentioned under item nos. 5 & 6 of the Notice are annexed hereto.
3. Corporate Members, Societies, partnership firms, etc. intending to send their authorized representatives 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.
4. The Register of Members and the Shares Transfer Books of the Company will be closed from Tuesday 27th September, 2011 to Thursday 29th September, 2011 (both days inclusive).
5. The dividend, as recommended by the Board if sanctioned at the ensuing at the Annual General Meeting, will be paid within the stipulated time period :
 - a) To all beneficial owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).
 - b) To all the members in respect of shares held in physical form after giving effect to valid transfers in respect of all transfer request lodged with the company.
6. Members/Proxies are requested to bring the copy of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting.
7. Members are requested to address all the documents, transfer deeds, demat requests, and other communications with respect to shares in physical mode to the Registrar & Share transfer Agents of the Company, M/s. Universal Capital Securities Private Ltd. (Formerly known as Mondkar Computers Private Limited), directly quoting their full name, Folio No. and Name of the Company.

8. Members are requested to intimate all changes pertaining to their Bank details, ECS, mandates, nominations, power of attorney, change of address/notice, etc.:
 - a. To their Depository Participants (DPs) in respect of their electronic share accounts.
 - b. To the Company's Registrar & Share Transfer Agents M/s. Universal Capital Securities Private Limited in respect of their physical share folios, if any.
9. Pursuant to Circular No. 17/2011 dated 21st April, 2011, Ministry of Corporate Affairs has undertaken a Green Initiative in Corporate Governance whereby the shareholders desirous of receiving notices, documents and other communication from the Company through electronic mode, can register their e-mail addresses with the Company. Your Company encourages the shareholders to register their e-mail addresses with the Company or its Registrar & Transfer Agent, UNIVERSAL CAPITAL SECURITIES PVT LTD, which can be updated with the Depository Participant (DP) or by mailing at cs@itpeople.in Client Id and DP Id of the shareholder.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE
COMPANIES ACT, 1956:**

Explanatory statement for Item No. 5:

Mr. M.N. Chaturvedi was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 1st February, 2011, pursuant to Article 120 of the Articles of Association of the Company. In terms of the provision of Section 260 and other applicable provisions of the Companies Act, 1956, the Additional Director would hold office up to the date of the ensuing Annual General Meeting and is eligible for appointment. The Company has received a notice under Section 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- from a member of the Company proposing his candidature for the office of Director of the company.

The Company would also be benefited by knowledge and experience of Mr. M.N. Chaturvedi. A brief resume of Mr. M.N. Chaturvedi including nature of his expertise in specific functional areas is provided in the Report on Corporate Governance forming part of the Annual Report.

Mr. M.N. Chaturvedi may be deemed to be concerned or interested in the resolution as it relates to his own appointment.



ELEVENTH ANNUAL REPORT 2010-2011

The Board recommends the Resolution set out at Item No. 5 of the Notice for your approval.

Explanatory statement for Item No. 6:

The Board of Directors at their meeting held on 8th January 2011 has reappointed Mr. Ketan Sheth as Managing Director for a period of 5 years w.e.f. 9th January 2011, subject to approval of shareholders in the General Meeting.

The remuneration to be paid to Mr. Ketan Sheth initially will be ₹. 1/- only, subject to the approval of members.

Mr. Ketan Sheth plays the role of visionary, an entrepreneur and a strategist. He has over 20 years leadership experience and the Company would be benefited by knowledge and experience of Mr. Ketan Sheth.

The terms and conditions of re-appointment may be altered and varied by the Board of Directors as it may deem fit from time to time subject to the limits imposed under the provisions of the Companies Act, 1956.

Mr. Ketan Sheth as may be deemed to be concerned or interested in the said resolution as it relates to his own re-appointment.

The Board recommends the approval by members of the reappointment of Mr. Ketan Sheth as Managing Director of the Company.

Date: 02/09/2011

Place: Mumbai

Registered Office:

IT People (India) Limited

**3A Udyog Nagar , S V Road,
Goregaon West, Mumbai-400062**

**By order of the Board of Directors
For IT People (India) Ltd.**

sd/-

**Ketan Sheth
Chairman & Managing Director**



ELEVENTH ANNUAL REPORT 2010-2011

CHAIRMAN REVIEW

OVERVIEW:

At the outset I would like to thank the entire IT People team and our esteemed clients and associates for the creative momentum, support, enterprise and commitment during the year. IT People has successfully executed various prestigious initiatives during the year, which would not have been possible without the untiring efforts of each and every member of team IT People.

With a clear focus on exchange business and technology, IT People has efficiently harnessed its decades of exposure in the IT space, the domain expertise developed and acquired by it through its various approach plans for inorganic growth. The company has successfully developed a state-of-the-art exchange solution suite addressing commodity and capital markets in the country.

IT People continues to invest in the research and development of cutting edge IT products for its various exchange initiatives. The in-house technology bandwidth and the domain expertise are critical success factors for the various exchange initiatives undertaken by the company.

IT People has successfully promoted Universal Commodity Exchange Ltd (UCX) which would be a national level multi-commodity exchange covering Agri, Bullion & Metals, Energy and others. Other shareholders in UCX include IDBI Bank Limited and Indian Farmers Fertiliser Cooperative (IFFCO), etc. Apart from UCX, the company has also extended its reach to the spot markets through its spot exchange initiative: Indian Bullion Spot Exchange (IBSX) would be the first of its kind initiative addressing the bullion spot markets in the country. Apart from the above, the company has also ventured into the infrastructure services vertical which is expected to substantially benefit the company in its various exchange and allied initiatives.

Thank you for reposing your faith in the Company. I once again thank the very committed members of the IT People Team and the Company's business associates for their continued support. My team and I look forward to the challenges of delivering sustainable and profitable growth in the years ahead with confidence.

I look forward to your continued support.

With warm regards,

Ketan Sheth
Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors hereby present the 11th Annual Report of your company along with the consolidated Profit and Loss Account for the year ended on 31st March, 2011 and the Balance Sheet as on that date and Auditors' Report thereon.

Financial Highlight

Particulars	Financial Year ended 31 st March 2011 (₹. In Lacs)		Financial Year ended 31 st March 2010 (₹. In Lacs)	
	Consolidated	Standalone	Consolidated	Standalone
Income from operations	976.24	953.02	680.66	671.73
Other income	245.71	245.70	86.73	867.25
Total Income	1221.95	1198.73	767.39	758.45
Less : Operating Expenses	340.27	323.80	251.84	244.64
Operating Profit	881.67	874.93	515.54	513.81
Less : Financial Expenses	0.45	0.38	0.44	0.41
Less : Depreciation	93.60	93.60	122.69	122.69
Less Misc. Expenses Written off	-	-	2.10	-
Profit Before Tax	787.62	780.94	390.30	390.71
Provision for Current Tax	-	-	0.18	-
Deferred Tax (Credit) / Expense	57.06	57.06	-	-
Income Tax (Interest on TDS)	0.01	0.01	0.20	0.02
Income Tax (Earlier Years)	-	-	0.88	0.88
Provision/Earlier Year Expenses W/off	-	-	(24.91)	(29.31)
Prior Period Income (Loss)	-	-	(0.11)	(0.11)
Foreign Exchange Gain/Loss/Provision	443.78	443.78	-	-
Provision for Diminution in Investment	-	-	(3108.14)	-
Transfer to General Reserve	-	-	-	(3108.14)
Profit/(Loss) after tax	286.77	280.09	3521.96	3526.97
Appropriations				
Proposed Dividend	155.10	155.10	-	-
Provision for dividend Distribution Tax	25.76	25.76	-	-
Less Balance brought forward from previous year	(1848.23)	(774.23)	(5370.20)	(4301.20)
Balance carried to Balance Sheet	(1742.34)	(675.01)	(1848.23)	(774.23)



ELEVENTH ANNUAL REPORT 2010-2011

Operating Results and Profits:

During the financial year 2010-11, your Company earned total revenue of ₹. 1221.95 lacs compared with ₹.767.39 lacs during the previous financial year 2009-10. The Operating Profit for the financial year ended on 31st March, 2011 stood at ₹. 881.67 lacs as against ₹.515.54 Lacs in the previous year.

The Company incurred net profit of ₹.286.77 lacs in the current year as against profit of ₹.3521.96 lacs in the previous year.

Dividend:

Your directors have decided to reward the Shareholders by proposing a token Dividend to commemorate the launching of the National level “Universal Commodity Exchange Ltd.” (UCX). Subject to the members approval, the dividend of 5% i.e. ₹. 0.10 per equity share to be appropriated for the financial year 2010-11

Business Outlook:

IT People (India) Limited has successfully capitalized and transformed itself from being a mere solution and service provider in the Information Technology domain to the holding entity of various exchanges which would operate at a national level.

With a clear focus on exchange business and technology, IT People has efficiently harnessed its decades of exposure in the IT space, the domain expertise developed and acquired by it through its various approach plans for inorganic growth. The company has successfully developed a state-of-the-art exchange solution suite addressing commodity and capital markets in the country.

IT People continues to invest in the research and development of cutting edge IT products for its various exchange initiatives. The in-house technology bandwidth and the domain expertise are critical success factors for the various exchange initiatives undertaken by the company.

IT People has successfully promoted Universal Commodity Exchange Ltd (UCX) which would be a national level multi-commodity exchange covering Agri, Bullion & Metals, Energy and others. Other shareholders in UCX include IDBI Bank Limited and Indian Farmers Fertiliser Cooperative (IFFCO), etc. Apart from UCX, the company has also extended its reach to the spot markets through its spot exchange initiative: Indian Bullion Spot Exchange (IBSX). IBSX would be the first of its kind initiative addressing the bullion spot markets in the country. Apart from the above, the company has also ventured into the infrastructure services vertical which is expected to substantially benefit the company in its various exchange and allied initiatives.