

INDIAN INFOTECH & SOFTWARE LIMITED



**24th Annual Report
2005-2006**

24th ANNUAL REPORT

2005-2006

DIRECTORS : BHAVIN SHETH
SUNIL LAVTI
PREMJIT SINGH
N. K. PAREEK
B. M. AGARWAL appointed on 16.12.2005
G. K. JOSHI appointed on 16.12.2005
K. L. MUNDRA appointed on 10.08.2006

BANKERS : UTI BANK, MUMBAI

AUDITORS : KHANDELWAL JAIN & CO.
Chartered Accountants
MUMBAI

**REGISTERED &
ADMINISTRATIVE OFFICE** : Empire House, 3rd Floor,
214, Dr. D.N. Road,
Fort, Mumbai – 400 001.

NOTICE

NOTICE is hereby given that the 24TH Annual General Meeting of the members of the Company will be held at the Registered office of the Company at Empire House, 3rd Floor, 214, Dr. D.N. Road, Fort, Mumbai - 400 001 on Thursday the 28th September, 2006 at 11.00 a.m. to transact the following business.

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2006 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2006 and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Bhavin Sheth, who retires by rotation under Article 104 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Shri Premjit Sing, who retires by rotation under Article 104 of the Articles of Association of the Company and has not been offered himself for reappointment. Hence, he is not to be reappointed.
4. To appoint M/s. Kailash Chand Jain & Co., Chartered Accountants, as Statutory Auditor of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration as the existing Auditor, M/s Khandelwal Jain & Co. has expressed their unwillingness to continue as Statutory Auditor.

SPECIAL BUSINESS:

5. To consider and if though fit, to pass with or without modification the following Resolution as an Ordinary Resolution.
 "RESOLVED THAT Shri B. M. Agarwal, who was appointed as an Additional Director on 15th December, 2005 and who in terms of Section 260 of the Companies Act, 1956 holds Office as such upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing along with the requisite deposit under section 257 of the Companies Act, 1956, from a Shareholder of the Company signifying his intention to propose Shri B. M. Agarwal as a candidate for the Office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."
6. To consider and if though fit, to pass with or without modification the following Resolution as an Ordinary Resolution.
 RESOLVED THAT Shri G. K. Joshi, who was appointed as an additional Director on 15th December, 2005 and who in terms of Section 260 of the Companies Act, 1956 holds Office as such upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing along with the requisite deposit under section 257 of the Companies Act, 1956, from a Shareholder of the Company signifying his intention to propose Shri G. K. Joshi as a candidate for the Office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.
7. To consider and, if though fit, to pass with or without modification the following Resolution as an Ordinary Resolution.

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"RESOLVED THAT Shri Kanhaiyalal Mundra, who was appointed as an Additional Director on 10th August, 2006 and who in terms of Section 260 of the Companies Act, 1956 holds Office as such upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing along with the requisite deposit under section 257 of the Companies Act, 1956, from a Shareholder of the Company signifying his intention to propose Shri Kanhaiyalal Mundra as a candidate for the Office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

NOTES :

1. Explanatory Statement as required Under Section 173 (2) of the Companies Act 1956 annexed
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.
3. Members are requested to notify immediately any change in their addresses to the Company's Registrars, M/s Sharex Dynamic (India) Pvt. Ltd., 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai - 400 001.
4. The Register of Members and the Share Transfer Book of the Company will remain closed from 21st September, 2006 to 28th September, 2006 (both days inclusive).

FOR AND ON BEHALF OF THE BOARD,

Place ; Mumbai
Date : 4TH September, 2006

Sd/-
SUNIL LAVTI
DIRECTOR

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Explanatory Statement under section 173(2) of the Companies Act, 1956.**ITEM NO. 5**

The Board of Directors appointed Shri B. M. Agarwal as Additional Director with effect from 15th December, 2005 by passing the resolution in the Board Meeting, pursuant to Articles of Association of the company and section 260 of the Companies Act, 1956. As per the said section, Shri B. M. Agarwal will hold office upto the date of this Annual General Meeting. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of the Director. The profile of Shri B. M. Agarwal is given hereto under the head 'Additional Information'.

Shri B. M. Agarwal, being concerned, is interested in the resolution. None of the other Directors of the company is concerned or interested in the resolution. Your Directors, therefore, recommend the resolution for your approval.

ITEM NO. 6

The Board of Directors appointed Shri G. K. Joshi as Additional Director with effect from 15th December, 2005 by passing the resolution in the Board Meeting, pursuant to Articles of Association of the company and section 260 of the Companies Act, 1956. As per the said section, Shri G. K. Joshi will hold office upto the date of this Annual General Meeting. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of the Director. The profile of Shri G. K. Joshi is given hereto under the head 'Additional Information'.

Shri G. K. Joshi, being concerned, is interested in the resolution. None of the other Directors of the company is concerned or interested in the resolution. Your Directors, therefore, recommend the resolution for your approval.

ITEM NO. 7

The Board of Directors appointed Shri Kanhaiyalal Mundra as Additional Director with effect from 10th August, 2006 by passing the resolution in the Board Meeting, pursuant to Articles of Association of the company and section 260 of the Companies Act, 1956. As per the said section, Shri Kanhaiyalal Mundra will hold office upto the date of this Annual General Meeting. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of the Director. The profile of Shri Kanhaiyalal Mundra is given hereto under the head 'Additional Information'.

Shri Kanhaiyalal Mundra, being concerned, is interested in the resolution. None of the other Directors of the company is concerned or interested in the resolution. Your Directors, therefore, recommend the resolution for your approval.

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS PURSUANT TO
CLAUSE 49 OF THE LISTING AGREEMENT

The Management of INDIAN INFOTECH & SOFTWARE LIMITED presents its Analysis Report covering performance and outlook of the Company. The report has been prepared in compliance with the requirement of Corporate Governance as laid down in the Listing Agreement. The Management accepts responsibility for the integrity and objectivity of the financial statements. However, investors and readers are cautioned that this discussion contains certain forward looking statements that involve risk and uncertainties.

a) OVERALL VIEW

During the year the Company carried out investment activity in shares. The Company is focusing on making investment in shares having long-term growth potential. In the changing business environment particularly due to upsurge in economic growth potential and growth in GDP, the investment in shares has become profitable with judicious planning and research based investment in shares.

b) FINANCIAL PERFORMANCE

During the year under report the Company made a loss of Rs.5,44,044/- as against loss of Rs.7,07,329/-.

d) INTERNAL CONTROL SYSTEM

The Company's system and processes are regularly reviewed.

e) HUMAN RESOURCES

There are no permanent employees in the Company.

f) STATEMENT OF CAUTION

Representations and statements made under 'Management Discussions and Analysis' is based on the projection and expectation on the basis of present market conditions. Actual results may materially differ due to several factors which could influence the Company's business operations such as demand and supply conditions, prices of input, changes in Government levies and regulations, industrial relations and other economic developments in the country.

INDIAN INFOTECH & SOFTWARE LIMITED**2005-2006****DIRECTORS REPORT**

The Directors have pleasure in presenting their 24th Annual Report on the business and operations of the Company for the year ended 31st March, 2006.

1. FINANCIAL RESULTS :

(Rs. In Lacs)

	31st March, 2006	31st March, 2005
Income from sales & Other Sources	3.33	2.12
Depreciation	2.88	4.76
Net Profit/ (Loss) before Taxation	(3.65)	(7.07)
Provision for Taxation	--	--
Earlier Year	0.55	--
Deferred Taxation	1.25	--
Profit/ (Loss) after Taxation.	(5.44)	(7.07)

2. DIVIDEND:

No dividend is being recommended for the year under review.

3. DIRECTORS:

Shri Bhavin Sheth, Director of the Company, retires by rotation under Article 104 of Article of Association of the Company but being eligible offers himself for re-appointment.

Shri Premjit Singh, Director of the Company, retires by rotation under Article 104 of Article of Association of the Company but not offers himself for re-appointment.

Shri B. M. Agarwal and Shri G. K. Joshi were appointed as Additional Directors of your Company on 15.12.2005 and Shri Kanhaiyalal Mundra was appointed as an Additional Director of your Company on 10.08.2006. These Directors hold their office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment as Directors liable to retire by rotation.

4. OPERATIONS :

The Company has perceived the demand for computer education and has since then made untiring efforts to spread the computer literacy. The Directors are making continuous efforts for increasing the scope of operations for computer education.

5. AUDITORS :

M/s Kailash Chand Jain & Co., Chartered Accountants, are to be appointed as Statutory Auditors of the Company to hold office until the conclusion of ensuing Annual General Meeting, as the Company has received a letter from the existing Auditor, M/s Khandelwal Jain & Co., expressing their unwillingness to continue as Statutory Auditor. The Company has received confirmation that the appointment, if made, would be within the limits prescribed U/s. 224(1B) of the Companies Act, 1956.

6. AUDITOR'S REPORT :

The observations made in the Auditor's Report are dealt with separately by Notes on Accounts in Schedule 'P' of the Accounts. These are self explanatory and do not call for any further comments.

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7. PARTICULARS OF EMPLOYEES :

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

8. SECRETARIAL COMPLIANCE REPORT :

Your Director's attach herewith a copy of Compliance Certificate dated 29th August, 2006 issued by S. K. Jain & Co., Company Secretaries, for the year 2005-2006 pursuant to Section 383 (A) (1) of the Companies Act, 1956.

9. ADDITIONAL INFORMATION REQUIRED UNDER THE NONBANKING FINANCIAL COMPANIES (RESERVE BANK) DIRECTIVES, 1998.

The relevant provisions, for disclosure in the Director's Report, of Non-Banking Financial Companies (Reserve Bank) Directions, 1998 issued by the Reserve Bank of India are not applicable, as the Company is not holding any public deposits.

10. DIRECTOR'S RESPONSIBILITY STATEMENT

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

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

For and on behalf of the Board

Sd/-

SUNIL LAVTI

DIRECTOR

PLACE : Mumbai

DATE : 4th September, 2006

ANNEXURE TO THE DIRECTOR'S REPORT

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

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

For and on behalf of the Board

Sd/-

SUNIL LAVTI

DIRECTOR

PLACE : MUMBAI

DATE : 4th September, 2006

INDIAN INFOTECH & SOFTWARE LIMITED

2005-2006

ANNEXURE IICorporate Governance Report 2005-2006**1. Company's Philosophy :**

The Company's Philosophy is to ensure good Corporate Governance. The Company believes in transparency in all its dealings.

2. Board of Directors :

On 31-03-2006 the Board of Directors comprises of a Non Executive Chairman and Three Independent Directors. During the year five Board Meetings were held on 29/04/2005, 29/07/2005, 29/08/2005, 25/10/2005, 15/12/2005 and 30/01/2006. The attendance of the Directors in the Board Meetings and last Annual General Meeting is given here below.

Name of Directors	No. of Board Meetings Attended	Attended Last AGM
Shri Bhavin Sheth-Non-Executive Chairman	5	Yes
Shri Sunil Lavti – Independent Director	5	Yes
Shri N. K. Pareek – Independent Director	5	Yes
Shri Premjit Singh – Independent Director	-	No
Shri G. K. Joshi – Independent Director w.e.f 16.12.2005	1	No
Shri B. M. Aggarwal – Independent Director w.e.f. 16.12.2005	-	No
Shri K. L. Mundra – Independent Director w.e.f. 10.08.2006	-	No

Particulars of Appointed Director:

Name	: Shri Ghanshyam K. Joshi
Designation	: Director
Age	: 62 Years
Experience	: He has completed Inter-Science from Mumbai University, having 35 years of experience in Business line.
Other Directorship	: M/s Universal Bearing Company Pvt. Ltd. M/s Tecil Chemicals And Hydro Power Ltd. M/s Ravindra Trading & Agencies Ltd. M/s Chemo Pharma Laboratories Ltd.
Name	: Shri Bhavin Sheth
Designation	: Director
Age	: 39 Years
Experience	: He has completed his graduation from Mumbai University, having 20 years of experience in Business
Other Directorship	: M/s Vindhyachal Hydro Power Ltd.