

ANNUAL REPORT

INDIAN INFOTECH & SOFTWARE LTD.



25th Annual Report

For the Year ended 31st March, 2007

INDIAN INFOTECH & SOFTWARE LTD.**25th Annual Report 2006-07**

DIRECTORS : K. L. MUNDRA appointed as
Managing Director w.e.f. 01.01.2007
N. K. PAREEK
G. K. JOSHI
SUNIL LAVTI
B. M. AGARWAL
K. P. PATIL appointed on 29.06.2007
R. M. KHANDELWAL appointed on 29.06.2007
SURENDRA R. RAO appointed on 29.06.2007
BHAVIN SHETH resigned on 30.04.2007
PREMJIT SINGH (till 28.09.2006)

BANKERS : AXIS BANK, MUMBAI

AUDITORS : H. P. BIYANI & CO.
CHARTERED ACCOUNTANTS
MUMBAI

**REGISTERED &
ADMINISTRATIVE OFFICE** : EMPIRE HOUSE, 3RD FLOOR,
214, DR. D.N. ROAD,
FORT, MUMBAI - 400 001.

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NOTICE

NOTICE is hereby given that the 25TH 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 Monday 24th September, 2007 at 4.00 p.m. to transact the following business.

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2007 and Balance Sheet as on that date, Cash Flow statement for the year ended 31st March, 2007 and Report of the Directors and Auditors thereon.
2. Not to appoint a Director in place of Shri Sunil Lavti, who retires by rotation under Article 104 of the Articles of Association of the Company and being eligible has not offered himself for re-appointment.
3. To appoint a Director in place of Shri Ghanshyam K. Joshi, who retires by rotation under Article 104 of the Articles of Association of the Company and being eligible, offers himself for re – appointment.
4. To appoint a Director in place of Shri N. K. Pareek, who retires by rotation under Article 104 of the Articles of Association of the Company and being eligible, offers himself for re – appointment.
5. To appoint M/s. H. P. Biyani & Co., Chartered Accountants, as Statutory Auditor of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if though fit, to pass with or without modification the following Resolution as an Ordinary Resolution.
"RESOLVED THAT Shri K. P. Patil, who was appointed as an Additional Director w.e.f. 29TH June, 2007 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 K. P. Patil as a candidate for the Office of Director, be and is hereby appointed 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.
"RESOLVED THAT Shri R. M. Khandelwal, who was appointed as an Additional Director w.e.f. 29th June, 2007 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 R. M. Khandelwal as a candidate for the Office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation."
8. To consider and if though fit, to pass with or without modification the following Resolution as an Ordinary Resolution.
"RESOLVED THAT Shri Surendra R. Rao, who was appointed as an Additional Director w.e.f. 29th June, 2007 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 Surendra R. Rao as a candidate for the Office of Director, be and is hereby appointed 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 to vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not later 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 17th September, 2007 to 24th September, 2007 (both days inclusive).

FOR AND ON BEHALF OF THE BOARD,

Sd/-

K. L. MUNDRA
MANAGING DIRECTOR

Place ; Mumbai
Date : 30th August, 2007

INDIAN INFOTECH & SOFTWARE LTD.**25th Annual Report 2006-07****EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 6**

The Board of directors appointed Shri K. P. Patil as Additional Director with effect from 29th June, 2007 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 K. P. Patil 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 K. P. Patil is given hereto under the head 'Additional Information'.

Shri K. P. Patil, 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 R. M. Khandelwal as Additional Director with effect from 29th June, 2007 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 R. M. Khandelwal 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 R. M. Khandelwal is given hereto under the head 'Additional Information'.

Shri R. M. Khandelwal, 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. 8

The Board of directors appointed Shri Surendra R. Rao as Additional Director with effect from 29th June, 2007 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 Surendra R. Rao 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 Surendra R. Rao is given hereto under the head 'Additional Information'.

Shri Surendra R. Rao, 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.

INDIAN INFOTECH & SOFTWARE LTD.**25th Annual Report 2006-07****MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENTS**

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

OUTLOOK, OPPORTUNITIES AND THREATS

During the year under Report the Company has accelerated Consultancy-Business and is hopeful that its Income from Consultancy, Training, Computer Education etc. will further grow in coming years.

RISK AND CONCERN

There is no perceived risk and concern in this area of business and there is an ample scope for growth in India itself.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal checks and controls.

FINANCIAL PERFORMANCE

During the year under Report the Company had earned an Income of Rs.10,10,160/- as against an Income of Rs.1,50,000/- in the previous year. The loss before Interest and Depreciation and Tax was Rs.34,891/- as against Rs.76,788/- in the year ended 31st March, 2006. The profit after Depreciation, Interest and Tax was Rs.7,62,691/- (including Rs.10,06,000/- written back on account of excess provision of interest on TDS payable) as against loss of Rs.5,44,044/- in the year ended 31st March, 2006.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speak only as of their dates.

30th August, 2007.

INDIAN INFOTECH & SOFTWARE LTD.**25th Annual Report 2006-07****DIRECTORS REPORT**

The Directors have pleasure in presenting their 25th Annual Report on the business and operations of the Company for the year ended 31st March, 2007.

1. FINANCIAL RESULTS :

	31 st March, 2007	(Rs. In Lacs) 31 st March, 2006
Income from sales & Other Sources	13.15	3.33
Depreciation	1.75	2.88
Net Profit/ (Loss) before Taxation	(2.10)	(3.65)
Provision for Taxation	-	-
Earlier Year	-	0.55
Deferred Taxation	0.49	1.25
Profit/ (Loss) after Taxation	7.63	(5.44)

2. DIVIDEND: No dividend is being recommended for the year under review.**3. DIRECTORS :**

Shri N. K. Pareek and Shri G. K. Joshi, Directors of the Company retire by rotation under Article 104 of Articles of Association of the Company but being eligible offer themselves for re-appointment.

Shri Sunil Lavti, Director of the Company retires by rotation under Articles 104 of the Articles of Association of the Company, and though eligible for re-appointment has not offered himself for re-appointment and hence he shall cease to be Director of the Company from the conclusion of the forthcoming Annual General Meeting.

Shri K. P. Patil, Shri R. M. Khandelwal and Shri Surendra R. Rao were appointed as Additional Directors of your Company on 29th June, 2007 and 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.

Shri Kanhaiyalal Mundra has been appointed as Managing Director of the Company for a period of 18 months w.e.f. 01.01.2007 at a remuneration of Rs.21000/- p.m. plus HRA Rs.4000/- p.m. and his appointment was also approved by the Members of the Company at the Extra Ordinary General Meeting held on 18/06/2007.

Shri Premjit Singh, Director, resigned w.e.f. 28/09/2006. The Directors record their appreciation of the valuable services rendered by him during his tenure.

Shri Bhavin Sheth, Director, resigned w.e.f. 30/04/2007. The Directors record their appreciation of the valuable services rendered by him during his tenure.

4. OPERATIONS :

During the year under Report the Company had earned an Income of Rs.10,10,160/- as against an Income of Rs.1,50,000/- in the previous year. The loss before Interest and Depreciation and Tax was Rs.34,891/- as against Rs. 76,788/- in the year ended 31st March, 2006. The profit after Depreciation, Interest and Tax was Rs.7,62,691/- (including Rs.10,06,000/- written back on account of excess provision of interest on TDS payable) as against loss of Rs.5,44,044/- in the year ended 31st March 2006.

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 :

During the year under report, the Auditors of the Company resigned as Statutory Auditors of the Company. The members of the Company at the Extra Ordinary General Meeting held on 18th June, 2007, have appointed

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M/s. H. P. Biyani & Co., Chartered Accountants as Statutory Auditors of the Company to hold office till the conclusion of forthcoming Annual General Meeting.

6. AUDITOR'S REPORT :

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

7. PARTICULARS OF EMPLOYEES :

The Company has Four employees in the category specified under Section 217(2A) of the Companies Act, 1956.

8. SECRETARIAL COMPLIANCE REPORT :

Your Directors attach herewith a copy of Compliance Certificate dated 30th August, 2007 issued by Pramod S. Shah & Associates, Company Secretaries, for the year 2006-2007 pursuant to Section 383 (A) (1) of the Companies Act, 1956.

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

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

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

For and on behalf of the Board

Sd/-

K. L. MUNDRA

MANAGING DIRECTOR

PLACE : Mumbai

DATE : 30th August, 2007

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
- B. TECHNOLOGY ABSORPTION
- C. FOREIGN EXCHANGE EARNING AND OUTGO Rs. NIL

Not Applicable.

Not Applicable.

For and on behalf of the Board

Sd/-

K. L. MUNDRA

MANAGING DIRECTOR

PLACE : Mumbai

DATE : 30th August, 2007

ANNEXURE II**Corporate Governance Report 2006-2007****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 31-03-2007 the Board of Directors comprises of a Non Executive Chairman, Four Independent Directors till 28/09/2006 and Three Independent Directors from 29/09/2006 to 31/12/2006 and two Independent Directors from 01/01/2007. During the year Seven Board Meetings were held on 30/04/2006, 29/07/2006, 10/08/2006, 04/09/2006, 28/09/2006, 31/10/2006 and 31/01/2007. The attendance of the Directors in the Board Meetings and last Annual General Meeting is given here below.

Name	Category and Designation	Date of Resignation	No. of Board Meetings held during the year 2006-2007	No. of Board Meetings attended during the year 2006-2007	Whether attended last AGM held on 28.9.2006	Directship in other Companies	Chairman-ship in Committees of Boards of other Companies	Membership in Committees of Boards of other Companies
Shri Bhavin Sheth	NED	-	7	7	No	NIL	NIL	NIL
Shri Sunil Lavti	ID	-	7	7	No	NIL	NIL	NIL
Shri K. L. Mundra (appointed as Managing Director w.e.f. 01/01/2007)	ID till 31/12/06 and MD w.e.f. 01/01/07	-	7	4	Yes	3	NIL	2
Shri N. K. Pareek	ID	-	7	7	Yes	2	NIL	2
Shri G. K. Joshi	ID	-	7	7	Yes	4	NIL	NIL
Shri B. M. Aggarwal	ID	-	7	7	Yes	1	NIL	NIL
Shri Premjit Singh	ID	28/09/06	7	NIL	No	NIL	NIL	NIL

NED – Non-Executive Director

ID – Independent Director

MD – Managing Director

Note:

1. Shri K. P. Patil, Non-Executive Director, appointed w.e.f. 29/06/2007
2. Shri R. M. Khandelwal, Non-Executive Director, appointed w.e.f. 29/06/2007
3. Shri Surendra Ragupathi Rao, Director, appointed w.e.f. 29/06/2007
4. Shri Bhavin Sheth, Non-Executive Director, resigned w.e.f. 30/04/2007

PARTICULARS OF RE-APPOINTED DIRECTOR:

Name	: Shri Ghanshyam K. Joshi
Designation	: Independent Director
Age	: 63 Years
Qualification	: Inter-Science from Mumbai University
Experience	: 35 years of experience in Business.
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. M/s Citric India Ltd.

Shareholding in the Company : Nil