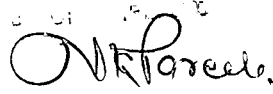


# INDIAN INFOTECH & SOFTWARE LIMITED

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for the year ended 31st March 2008  
  
N. K. Pareek

26<sup>th</sup> Annual Report for the year ended  
31<sup>st</sup> March, 2008

**DIRECTORS** : K. L. MUNDRA, Managing Director  
N. K. PAREEK  
G. K. JOSHI  
K. P. PATIL  
R. M. KHANDELWAL  
SURENDRA R. RAO

**BANKERS** : AXIS BANK LTD  
SIR P.M. ROAD BRANCH,  
FORT, MUMBAI

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

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

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**NOTICE**

**NOTICE** is hereby given that the 26<sup>th</sup> Annual General Meeting of the members of the Company will be held at the Registered office of the Company at Empire House, 3<sup>rd</sup> Floor, 214, Dr. D.N. Road, Fort, Mumbai – 400 001 on Thursday 28<sup>th</sup> August, 2008 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 31<sup>st</sup> March, 2008 and Balance Sheet as at that date, Cash Flow statement for the year ended 31<sup>st</sup> March, 2008 and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri K. P. Patil, 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 a Director in place of Shri Ram Manohar Khandelwal, 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 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.

**AS SPECIAL RESOLUTION:**

5. To pass with or without, modification, the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 198, 269, 309, 310 & 311 read with Schedule XIII of the Companies Act, 1956 and any other provisions as applicable the re-appointment of Shri K. L. Mundra as Managing Director by the Board of Directors of the Company in its meeting held on 29<sup>th</sup> July, 2008 w.e.f. 01.07.2008 for a period of 3 (Three) years on the following terms be and is hereby confirmed, approved and ratified

**Category "A"**

1. **Salary:**  
Rs.21,000/- per month (including dearness and other allowances) with annual increment as decided by the Board of Directors.
2. **Perquisites:**  
House Rent Allowance @ 4000/- per month.

**Category "B":**

Shri. K. L. Mundra, Managing Director shall also be eligible to the following Perquisite which shall not be included in the computation of the ceiling of Remuneration :

- a. Contribution to provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act.
- b. Gratuity payable should not exceed half-a-month's salary for each completed year of service.
- c. Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

**Category "C":**

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for

private purpose shall be billed by the Company to the Managing Director.

- 3.. Commission: Not more that 1% of the net profits of the Company.  
The aggregate of the perquisites shall be restricted to Rs.6,00,000/- per annum.

"FURTHER RESOLVED THAT Shri. N. K. Pareek, Director of the Company be and is hereby authorized to execute the agreement for reappointment of Shri. K. L. Mundra, as Managing Director, as per draft of the agreement placed before the Board.

Notwithstanding anything mentioned in this part, where in any financial year, during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay him remuneration by way of salary and perquisites not exceeding the limits specified above.

The particulars set out above may be treated as an abstract of the terms of the agreement with Managing Director which is required to be given to every member under the provisions of section 302(2) of the Companies Act, 1956.

Except Shri K. L. Mundra, no other Director is interested in this Resolution.

#### **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 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, 2<sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai - 400 001.
4. The Register of Members and the Share Transfer Book of the Company will remain closed from 22<sup>nd</sup> August, 2008 to 28<sup>th</sup> August, 2008 (both days inclusive).

**FOR AND ON BEHALF OF THE BOARD,**

PLACE : MUMBAI  
DATE : JULY 29, 2008

Sd/-  
**K. L. MUNDRA**  
MANAGING DIRECTOR

#### **Explanatory Statement under section 173(2) of the Companies Act, 1956.**

##### **ITEM NO. 5**

Shri K. L. Mundra was appointed as Managing Director for a period of 18 months w.e.f. 01.01.2007 and his term had expired on 30.06.2008. The Board of Directors in its Meeting held on 29<sup>th</sup> July, 2008, subject to the approvals of the members has re-appointed Shri K. L. Mundra as Managing Director w.e.f. 01.07.2008 for a period of 3 (Three) years. On the terms as mentioned in the Resolution proposed to be considered and passed by the members of the Company.

Since Shri K. L. Mundra has attained the age of 70 yrs., his re-appointment is to be approved by the members of the Company by way of Special Resolution. The Board of Directors recommended the Resolution for passing by the members of the Company as a Special Resolution.

Except Shri K. L. Mundra, no other Director is interested in this Resolution.

## **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 and business.

### **OUTLOOK, OPPORTUNITIES AND THREATS**

During the year under report the Company had 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 has earned an income of Rs. 27,26,204/- as against Rs. 13,14,614/- in the year ended 31<sup>st</sup> March 2007. The profit before tax was Rs. 3,56,677/- as against the loss of Rs. 2,10,130/- in the year ended 31<sup>st</sup> March, 2007. The net Profit after tax during the year was Rs. 4,54,942 as against profit of Rs. 7,62,691/- in the year ended 31<sup>st</sup> March, 2007.

### **CAUTIONARY STATEMENTS**

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 this forward looking statements that speak only as of their dates.

**JULY 29, 2008**

**DIRECTORS REPORT**

The Directors have pleasure in presenting their 26<sup>th</sup> Annual Report on the business and operations of the Company for the year ended 31<sup>st</sup> March, 2008

**1. FINANCIAL RESULTS :**

(Rs. In Lacs)

	31st March 2008	31st March 2007
Income from Sales & Other Sources	27.26	13.15
Depreciation	1.07	1.75
Net Profit/ (Loss) before Taxation	3.50	(2.10)
Provision for Taxation	-	-
Earlier Year	-	-
Deferred Taxation	0.30	0.49
Profit/ (Loss) after Taxation.	4.55	7.63

**2. DIVIDEND:**

No dividend is being recommended for the year under review.

**3. DIRECTORS:**

Shri K. P. Patil and Shri Ram Manohar Khandelwal, Directors of the Company retires by rotation under Article 104 of Article of Association of the Company but being eligible offers themselves for re-appointment.

Shri Kanhaiyalal Mundra was appointed as a 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. The Board of Directors of the Company in its Meeting held on 29<sup>th</sup> July, 2008, subject to the consent of the Members of the Company by way of Special Resolution has Re – appointed Shri. K. L. Mundra as Managing Director of the Company for a period of 3 (Three) years at a remuneration of Rs. 21,000/- per month plus House Rent Allowance @ Rs. 4000/- per month.

**4. OPERATIONS :**

During the year under Report the Company has earned an income of Rs. 27,26,204/- as against Rs. 13,14,614/- in the year ended 31<sup>st</sup> March, 2007. The profit before tax was 3,56,677/- as against the loss of Rs. 2,10,130/- in the year ended 31<sup>st</sup> March, 2007. The net Profit after tax) during the year was Rs. 4,54,942/- as against profit of Rs.7,62,691/- in the year ended 31<sup>st</sup> March, 2007.

The Company has perceived the demand for computer education and has been since then made untiring efforts to spread the computer literacy. The directors are making continues 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 18<sup>th</sup> June, 2007, have appointed 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 'N' of the Accounts. As regards Auditors observation in Para 6b of the Auditors Report on Non Provision for overdue Loans and Advances, no provision has been made.

**7. PARTICULARS OF EMPLOYEES :**

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

**8. 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.

**9. 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,

PLACE : MUMBAI  
DATE : JULY 29, 2008

Sd/-  
K .L. MUNDRA  
MANAGING DIRECTOR

**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,

PLACE : MUMBAI  
DATE : JULY 29, 2008

Sd/-  
K. L. MUNDRA  
MANAGING DIRECTOR

**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance:**

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavours to review strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

**2. Board of Directors:**

The Board is headed by Shri. K. L. Mundra, Executive Chairman, and comprised of majority of Non-Executive Independent Directors. The Board is properly constituted as per Clause 49 of the Listing Agreement. The Composition of Board of Directors is as under –

Name of Director	Category	No. of Board Meetings attended during 07-08	Whether attended last AGM	No of Other Directorship	No of Membership of other Comm.	Chairmanship of other Comm.
Shri K. L. Mundra	Executive Chairman	5	Yes	3	2	Nil
Shri. Bhavin Sheth (upto 30/04/2007)	Non Executive Director	1	Yes	Nil	Nil	Nil
Shri. G. K. Joshi	Independent Director	5	Yes	4	1	3
Shri. Ram M. Khandelwal (appointed wef. 29.06.2007 )	Non Executive Director	4	No	3	3	Nil
Shri N. K. Pareek	Independent Director	5	Yes	2	Nil	Nil
Shri K. P. Patil (appointed wef. 29.06.2007)	Non Executive Director	4	No	1	1	Nil
Shri Surendra R. Rao (appointed wef. 29.06.2007)	Independent Director	4	No	Nil	Nil	Nil

(details are as on 31st March, 2008)

- \* Excludes alternate directorships and directorships in foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.
- # Excludes Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and Companies other than public limited companies.

**DATES AND NUMBER OF BOARD MEETINGS HELD**



During the financial year ended 31<sup>st</sup> March, 2008, 5 Meetings of the Board of Directors were held as on 30/04/2007, 29/06/2007, 30/08/2007, 24/10/2007, and 24/01/2008.

The Board periodically reviews compliance reports of all the laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliance, if any.

In terms of the provisions of Clause 49 of the Listing Agreement and contemporary practices of good Corporate Governance, the Board has laid down a Code of Conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the said Code.

#### **Particulars of Re-appointed Directors:**

Name	: Shri Ram Manohar Khandelwal
Designation	: Independent Director
Age	: 61 years
Experience	: Graduate and 30 years of experience in Business
Other Directorship	: M/s Ravindra Trading & Agencies Limited
	: M/s Citric India Limited
	: M/s Chemo Pharma Laboratories limited

Name	: Shri Surendra R. Rao
Designation	: Independent Director
Age	: 44 years
Experience	: Graduate and Consultant in Computer Software and Hardware
Other Directorship	: M/s. Annaya Info Services

#### **Board Committees**

The Board has constituted the following Committees of Directors:

##### **(a) Audit Committee:**

###### **i. Terms of Reference**

The role and terms of reference of Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

###### **ii. Composition**

The Audit Committee was reconstituted on 29.06.2007. Shri Sunil Lavti resigned as Chairman of the Audit Committee. Shri Ram Manohar Khandelwal was inducted as member of the Audit Committee in place of Shri Bhavin Sheth and Shri K. P. Patil was inducted as member of the Audit Committee in place of Shri N.K. Pareek. Shri G. K. Joshi, member of the Audit Committee was appointed as Chairman in place of Shri Sunil Lavti.

The reconstituted Audit Committee will be as follows

1. Shri G.K Joshi	Chairman
2. Shri Ram Manohar Khandelwal	Member
3. Shri K. P. Patil	Member
4. Shri N. K. Pareek (upto 29.06.2007)	Member
5. Shri Bhavin Sheth (upto 30.04.2007)	Member