

**INDIAN INFOTECH  
&  
SOFTWARE LIMITED**

**28<sup>th</sup> Annual Report  
31<sup>st</sup> March, 2010**

**DIRECTORS** : K. L. MUNDRA, Managing Director  
(Expired on 16.06.2010)  
N. K. PAREEK  
G. K. JOSHI  
K. P. PATIL (Expired on 08.10.2009)  
R. M. KHANDELWAL  
SURENDRA R. RAO

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

**AUDITORS** : M/S 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.

**NOTICE**

**NOTICE** is hereby given that the **TWENTY-EIGHT 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 Wednesday, 29<sup>th</sup> September 2010 at 3.30 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 31<sup>st</sup> March, 2010 and Balance Sheet as at that date, Cash Flow statement for the year ended 31<sup>st</sup> March, 2010 and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Surendra Rao, 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 M/s. Sarda Soni Associates, Chartered Accountants, as Statutory Auditors of the Company who will hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration (including out of pocket expenses) to be fixed by the Board of Directors of the Company in consultation with M/s. Sarda Soni Associates in place of M/s. H. P. Biyani & Co., Chartered Accountants, whose term as Statutory Auditor is upto the conclusion of this Annual General meeting and who have expressed their unwillingness to be reappointed as Statutory Auditors of the Company.

**NOTES :**

1. 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.
2. Members are requested to notify immediately any change in their addresses
3. Members desiring to submit mandates, to lodge transfer deed for shares are requested to forward the same so as to reach 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 on or before 22<sup>nd</sup> September 2010. the Company will not be in a position to act upon any document, which is incomplete or received after 22<sup>nd</sup> September 2010
4. The Register of Members and the Share Transfer Book of the Company will remain closed from 22<sup>nd</sup> September, 2010 to 29<sup>th</sup> September, 2010 (both days inclusive).
5. The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchanges regarding the Directors who are proposed to be reappointed is given in the Corporate Governance Report.
6. Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.
7. Members are requested to send their queries to the Company, if any on Accounts at least 10 days before the Meeting.

**PLACE : MUMBAI**  
**DATE : JULY 30, 2010**

**FOR AND ON BEHALF OF THE BOARD**

**Sd/-**  
**N. K. PAREEK**  
**DIRECTOR**

**MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENTS**

India is a leading Country in development of Software which are used for different applications. Being a sunrise sector there is vast scope for computer education. The Company is providing consultancy services in these field. The management is exploring new areas of business opportunities to expand its business.

**OUTLOOK, OPPORTUNITIES AND THREATS**

The management looks with optimism about the growth in its business. There are no perceived threat to the business of the Company.

**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 introduced internal checks and controls system which is considered adequate.

**FINANCIAL PERFORMANCE**

During the year under Report the Company has earned an income of Rs. 3,13,394/- as against Rs. 13,28,122/- in the year ended 31<sup>st</sup> March 2009. The profit/(Loss) before tax was (Rs. 9,73,115/-) as against the profit of Rs. 25,117/- in the year ended 31<sup>st</sup> March, 2009. The net Profit/(Loss) after tax during the year was (Rs. 8,74,109/-) as against profit of Rs. 23,681/- in the year ended 31<sup>st</sup> March, 2009.

**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.

**PLACE : MUMBAI  
DATE : JULY 30, 2010**

**FOR AND ON BEHALF OF THE BOARD**

**Sd/-  
N. K. PAREEK  
DIRECTOR**

**DIRECTORS' REPORT**

The Directors have pleasure in presenting their TWENTY-EIGHT ANNUAL REPORT on the business and operations of the Company for the year ended 31<sup>st</sup> March, 2010.

**1. FINANCIAL RESULTS :****(Rs. In Lacs)**

	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
Income from sales & Other Sources	3.13	13.28
Depreciation	0.42	0.67
Net Profit/ (Loss) before Taxation	(9.73)	0.25
Provision for Taxation	-	0.23
Excess Provision for Income Tax (written back)	-	-
Deferred Taxation Assets	(0.99)	(0.22)
Profit/ (Loss) after Taxation	(8.74)	0.24
Add: balance b/f from previous year	23.08	22.84
Balance carried to Balance Sheet	14.34	23.08

**2. DIVIDEND:**

Due to inadequate Profits the Board of Directors do not recommend any dividend for the year under review.

**3. DIRECTORS:**

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

Shri. K. P. Patil, the Director of the Company expired on 08-10-2009. Shri. K. L. Mundra Managing director of the Company expired on 16-06-2010. The Board of Directors of the Company expresse their profound grief on said demise of Shri. K. P. Patil and Shri. K. L. Mundra, Directors of the Company and places on record their valuable services rendered to the Company.

The Board in its meeting held on 30<sup>th</sup> July, 2010 has appointed Shri. N. K. Pareek as CEO and Compliance Officer of the Company with effect from 16-06-2010 and his designation has also accordingly changed from Non-Executive Director to Executive Director.

**4. RECONSTITUTION OF AUDIT COMMITTEE :**

The Audit Committee was reconstituted on 30.10.2009. Shri. Surendra Rao was inducted as member of the Audit Committee in place of Shri. K. P. Patil, who expired on 08.10.2009. Shri. G. K. Joshi, member of the Audit Committee was appointed as Chairman.

The reconstituted Audit Committee will be as follows:

- |                          |          |
|--------------------------|----------|
| 1. Shri G. K. Joshi      | Chairman |
| 2. Shri R. M. Khandelwal | Member   |
| 3. Shri Surendra Rao     | Member   |

**5. RECONSTITUTION OF SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE:**

The Share Transfer & Shareholders/Investors' Grievance Committee was reconstituted on 30.10.2009. Shri. Surendra Rao was inducted as member of the Share Transfer & Shareholders/Investors' Grievance Committee in place of Shri. K. P. Patil due to his death on 08.10.2009. Shri. G. K. Joshi, member of the Share Transfer & Shareholders/Investors' Grievance Committee was appointed as Chairman.

The reconstituted Share Transfer & Shareholders/Investors' Grievance Committee will be as follows:

- |                          |          |
|--------------------------|----------|
| 1. Shri G. K. Joshi      | Chairman |
| 2. Shri R. M. Khandelwal | Member   |
| 3. Shri Surendra Rao     | Member   |

**6. OPERATIONS:**

During the year under Report the Company has earned an income of Rs. 3,13,394/- as against Rs. 13,28,122/- in the year ended 31<sup>st</sup> March 2009. The profit/(Loss) before tax was (Rs. 9,73,115/-) as against the profit of Rs. 25,117/- in the year ended 31<sup>st</sup> March, 2009. The net Profit/(Loss) after tax during the year was (Rs. 8,74,109/-) as against profit of Rs. 23,681/- in the year ended 31<sup>st</sup> March, 2009.

**7. REVOCATION OF SUSPENSION IN TRADING OF SHARES.**

The Directors are glad to inform that the Bombay Stock Exchange vide Notice No. 20100720 - 12 dated 20<sup>th</sup> July, 2010 has revoked the suspension in trading of equity shares of the company w.e.f. 26<sup>th</sup> July, 2010 and has allowed the resumption of trading in "B" group from the said date. The entire shareholding held by the promoters/ promoter group has been locked in for a period of 3 months.

**8. AUDITORS :**

There is no qualification or adverse comments in the Auditor's Report dated 30<sup>th</sup> July, 2010 issued by M/s. H. P. Biyani & Co., Chartered Accountants for the year ended 31<sup>st</sup> March, 2010.

M/s. H. P. Biyani & Co. Chartered Accountants have expressed their unwillingness to be reappointed as Statutory Auditor at the ensuing Annual General Meeting. The Board of Directors have received a letter from M/s. Sarda Soni Associates, Chartered Accountant expressing their willingness to act as Statutory Auditors of the Company, if appointed at the ensuing Annual General Meeting and have further informed that their appointment if made, will be, within the limit prescribed under section 224 (1B) of the Companies Act, 1956. Accordingly the notice of Annual General Meeting contains a resolution for appointment of M/s. Sarda Soni Associates, Chartered Accountants as Statutory Auditors to hold the office from the conclusion of the forthcoming Annual General Meeting to the next Annual General Meeting at a remuneration (including out of pocket expenses) to be fixed by the Board of Directors in consultation with them.

**9. DEPOSITS:**

During the year under report the company has neither invited nor accepted any public fixed deposits.

**10. PARTICULARS OF EMPLOYEES :**

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

**11. 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.

**12. DIRECTOR'S RESPONSIBILITY STATEMENT :**

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

- 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;
- 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;
- 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,
- the Directors had prepared the Annual Accounts on a going concern basis.

PLACE : MUMBAI

DATE : JULY 30, 2010

FOR AND ON BEHALF OF THE BOARD

Sd/-  
N. K. PAREEK  
DIRECTOR

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**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

PLACE : MUMBAI

DATE : JULY 30, 2010

FOR AND ON BEHALF OF THE BOARD

Sd/-  
N. K. PAREEK  
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.

Your Board of Directors present the Corporate Governance Report for the year 2009-10 based on the disclosure requirement under Clause 49 of the Listing Agreement existing as on 31<sup>st</sup> March 2010.

**2. Board of Directors:**

The board of directors was properly constituted as per clause 49I(A) of the Listing Agreement. During the year under report there were six directors upto 07-10-2009 and thereafter due to death of Shri. K. P. Patil on 08-10-2009 the strength of the board became Five. Shri. K. L. Mundra was the Executive Chairman. Shri. N. K. Pareek was non- executive Director and Shri. G. K. Joshi, K. P. Patil (upto 07-10-2009), Shri. Surendra Rao and Shri. R. M. Khandelwal were the non executive independent directors. Thus the Board was comprised of majority of Non executive Independent Directors. The Composition of Board of Directors is as under –

Name of Director	Category	No. of Board Meetings attended during 2009-10	Whether attended last AGM	No of other directorship	No of membership of audit committee and Share Holders & Investors Grievance Committee in other Companies	Chairmanship of audit committee and Share Holders & Investors Grievance Committee in other Companies
Shri K. L. Mundra (Expired on 16-06-2010)	Executive Chairman & Managing Director	5	Yes	2	Nil	Nil
Shri N. K. Pareek	Non Executive Director	5	Yes	1	Nil	Nil
Shri G. K. Joshi	Independent Director	5	Yes	3	2	4
Shri K. P. Patil (Expired on 08-10-2009)	Independent Director	3	No	1	2	Nil
Shri Surendra Rao	Independent Director	5	Yes	Nil	Nil	Nil
Shri R.M. Khandelwal	Non Executive Director	5	No	2	4	Nil

(details are as on 31st March, 2010)

\* 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, 2010, 5(Five) Meetings of the Board of Directors were held as on 29/04/2009, 17/07/2009, 04/09/2009, 30/10/2009 and 29/01/2010.

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. The Board of Directors have also adopted Revised Code of Conduct in its Meeting held on 29<sup>th</sup> January, 2009 All the Board members and senior management personnel have affirmed compliance with the said Revised Code.

**Particulars of Re-appointed Directors:**

Name	:	Shri Surendra Rao
Designation	:	Independent Director
Age	:	46 years
Qualification	:	Graduate from Mumbai University
Experience	:	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 30.10.2009. Shri. Surendra Rao was inducted as member of the Audit Committee in place of Shri. K. P. Patil, who expired on 08.10.2009. Shri. G. K. Joshi, member of the Audit Committee was appointed as Chairman.

The reconstituted Audit Committee will be as follows:

1. Shri G. K. Joshi	Chairman
2. Shri R. M. Khandelwal	Member
3. Shri Surendra Rao	Member

The Composition of Audit Committee is in conformity with Clause 49 II (A) of the Listing Agreement.

A brief description of the terms of reference of the Audit Committee is as follows:

To review Internal Audit Reports, Statutory Auditors' Report on the financial statements, to generally interact with the Internal Auditors and Statutory Auditors, to review the adequacy of internal control systems, to select and establish accounting policies, to review financial statements before submission to the Board, to recommend the appointment and removal of external auditor and fixation of audit fees and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

During the 2009-10 under review 5(Five) meetings of the Audit Committee were held, on 29/04/2009, 17/07/2009, 04/09/2009, 30/10/2009 and 29/01/2010. The attendance of members are as follows:

Name	Category	Meetings during the Year 2009-10	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shri R. M. Khandelwal	Member	5	4
Shri K. P. Patil (Expired on 08.10.2009)	Member	5	3
Shri. Surendra Rao	Member	5	2



**(b) Share Transfer & Shareholders' / Investors' Grievance Committee :****(i) Terms of references**

- a) To scrutinize and approve registration of transfer of shares / debentures / warrants issued / to be issued by the company.
- b) To exercise all power conferred on the Board of Directors under Article 43 of the Article of Association.
- c) To decide all questions and matters that may arise in regard to transmission of shares / debentures / warrants issued / to be issued by the Company.
- d) To approve and issue duplicate shares / debentures / warrants certificates in lieu of those reported lost,
- e) To refer to the Board and any proposal of refusal of registration of transfer of shares / debentures / warrants for their consideration.
- f) To look into shareholders and investors complaints like transfer of shares, non-receipt of declared dividends, etc., and
- g) To delegate all or any of its power of Officers / Authorized Signatories of the Company.

**(ii) Composition**

The Share Transfer & Shareholders/Investors' Grievance Committee was reconstituted on 30.10.2009. Shri. Surendra Rao was inducted as member of the Share Transfer & Shareholders/Investors' Grievance Committee in place of Shri. K. P. Patil due to his death on 08.10.2009. Shri. G K Joshi, member of the Share Transfer & Shareholders/Investors' Grievance Committee was appointed as Chairman.

The reconstituted Share Transfer & Shareholders/Investors' Grievance Committee will be as follows:

- |                          |          |
|--------------------------|----------|
| 1. Shri G. K Joshi       | Chairman |
| 2. Shri R. M. Khandelwal | Member   |
| 3. Shri Surendra Rao     | Member   |

The constitution and terms of reference of the Share Transfer & Shareholders'/ Investors' Grievance Committee is in agreement with the guidelines prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

This committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate Certificates by the Company; (ii) looks into various issues relating to shareholders, including the redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of Balance Sheet, dividend etc.; and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Share Transfer & Shareholders' / Investors' Grievance Committee met 5(Five) times during the 2009-10 on 29/04/2009, 17/07/2009, 04/09/2009, 30/10/2009 and 29/01/2010. The attendances of the members are as follows:

Name	Category	Meetings during the year 2009-10	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shri R. M. Khandelwal	Member	5	4
Shri K. P. Patil (Expired on 08.10.2009)	Member	5	3
Shri. Surendra rao	Member	5	2

**Name and designation of Compliance officer :**

\* Shri. B. K. Lohia Compliance officer

**Detail of Complaints :**

No. of shareholders' complaints received during the year	: Nil
No. of complaints not resolved to the satisfaction of shareholders	: Nil
No. of pending share transfers	: Nil

**3 General Body Meetings:**

(a) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Location
2008-2009	29/09/2009	3.30 P. M.	At Regd. Office, Mumbai.
2007-2008	28/08/2008	11.00 A.M.	At Regd. Office, Mumbai.
2006-2007	24/09/2007	4.00 P.M.	At Regd. Office, Mumbai.