



INDIAN INFOTECH AND SOFTWARE LIMITED

IT Hardware & Software

ANNUAL REPORT

2012-13

INDIAN INFOTECH AND SOFTWARE LIMITED

CONTENTS:

Particulars	Page No.
➤ Company Information	01
➤ Notice of Annual General Meeting	02
➤ Management Discussion & Analysis	04
➤ Director's Report	06
➤ Report on Corporate Governance	09
➤ CFO Certificate	16
➤ Certificate on Corporate Governance	17
➤ Independent Auditor's Report on Financial Statements	18
➤ Balance Sheet	22
➤ Statement of Profit & Loss	23
➤ Cash Flow Statement	24
➤ Notes on Financial Statements	25
➤ Significant Accounting Policies	29
➤ Independent Auditor's Report on Consolidated Financial Statements	35
➤ Consolidated Balance Sheet	37
➤ Consolidated Statement of Profit & Loss	38
➤ Consolidated Cash Flow Statement	39
➤ Notes on Consolidated Financial Statements	40
➤ Significant Accounting Policies on Consolidated Accounts	43
➤ Financial Information of Subsidiary Companies	50
➤ Attendance slip and Proxy Form	51

DIRECTORS	:	RUCHIR MOHUNTA, Managing Director KAMAL NAYAN SHARMA Director DEEPA DALMIA Independent Director VARSHA MURARKA Independent Director
COMPANY SECRETARY & COMPLIANCE OFFICER	:	NITESH CHOUDHARY
BANKERS	:	HDFC BANK LTD. FORT BRANCH, MUMBAI
AUDITORS	:	M/S SANJAY N. SHAH & CO. CHARTERED ACCOUNTANTS MUMBAI
REGISTERED OFF.	:	D-114, CRYSTAL PLAZA, LINK ROAD, OPP. INFINITY MALL, ANDHERI (W), MUMBAI – 400 053 Tel. No. 022 – 42956833 E-mail Id:– Indianinfotechsoftware@yahoo.com
SHARE TRANSFER AGENT	:	SHAREX DYNAMIC (INDIA) PVT. LTD. Unit -1, Luthra Ind. Premises, 1 st floor, 4E, M Vasanti Marg, Andheri kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072 Tel. no. 022 – 28515606/28515644 Email id- investor@sharexindia.com

NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTY FIRST ANNUAL GENERAL MEETING** of the Members of the **INDIAN INFOTECH & SOFTWARE LTD.** will be held at the Classic Comfort Hall (Lilly Hall), Shivaji Nagar, Kanyachipada, Film City Road, Goregoan East, Mumbai – 400 063 on **Monday, 30th September, 2013 at 10:30 A. M.** to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account, Balance Sheet and Cash Flow statement as on 31st March, 2013, and Report of the Directors and Auditors thereon.
2. To appoint M/s. Sanjay N. Shah & Co., Chartered Accountants, as Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors or Audit Committee thereof to fix their remuneration.

“RESOLVED FURTHER THAT M/s. Sanjay N. Shah & Co., Chartered Accountants, Mumbai be and is hereby re-appointed as the statutory auditors of the Company, to hold the office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting on such remuneration as may be mutually agreed to between the Statutory Auditors and the Board.”

3. To appoint Director in place of Mr. Kamal Nayan Sharma, who retires by rotation and being eligible offers himself for re-appointment.

BY ORDER OF THE BOARD OF DIRECTORS

**Registered office:
D – 114, Crystal Plaza,
New Link Road,
Opp. Infinity Mall,
Andheri (W) Mumbai- 400 053**

**Sd/-
RUCHIR MOHUNTA
Managing Director
Date: 4th September, 2013
Place: Mumbai**

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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
3. Members are requested to notify immediately any change in their addresses.
4. 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., Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai-400072 on or before 25th September, 2013. The Company will not be in a position to act upon any document, which is incomplete or received after 25th September, 2013.
5. The Register of Members and the Share Transfer Book of the Company will remain closed from 26th September, 2013 to 30th September 2013 (both days inclusive).
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 Annual General Meeting.

Profile of the Directors:

(I)

1. **Name of the Director:** Shri Kamal Nayan Sharma.
2. **Age:** 39 year, DOB - 03/09/1973.
3. **Qualifications:** B.Com (Honours) graduate
4. **Experience:** 13 years Experience in Investment & Finance.
5. **Shareholding in the Company:** NIL
6. **Other Directorships:** No other Directorship.
7. **Committee Details:**
 1. Member of Shareholders'/Investors' Grievance Committee of Indian Infotech & Software Limited; and
 2. Member of Audit Committee of Indian Infotech & Software Limited.

FOR AND ON BEHALF OF THE BOARD

**Registered office:
D – 114, Crystal Plaza,
New Link Road,
Opp. Infinity Mall,
Andheri (W) Mumbai- 400 053**

**Sd/-
RUCHIR MOHUNTA
Managing Director**

**Date: 4th September, 2013
Place: Mumbai**

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of INDIAN INFOTECH & SOFTWARE LIMITED in its Analysis Report has highlighted the performance and outlook of the Company in order to comply with the requirement of Corporate Governance as laid down in Clause 49 of the Listing Agreement. However, investors and readers are cautioned that this discussion contains certain forward looking statements that involve risk and uncertainties.

OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is a registered NBFC and it has been periodically filing all the returns as required under the NBFC regulations. Further, the Company has not accepted any deposits from the public.

The certificate of registration as an NBFC is prevalent on the date of signing this report and the Company has not received any notice in this regard from any other statutory authority.

The Company has invested into share and securities and the funds deployed so far is out of its own account and the Share Capital Reserves and Share Premium Account.

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

Changing economic and business conditions and rapid technological innovation are creating an increasingly competitive market environment that is driving corporations to transform their operations. Consumers of products and services are increasingly demanding accelerated delivery times and lower prices. Companies are focusing on their core competencies and are using outsourced technology service providers to adequately address their needs.

The role of technology has evolved from supporting corporations to transforming them. There is an increasing need for highly skilled technology professionals in the markets in which we operate. India is a leading Country in development of Software which is used for different applications. Being a sunrise sector there is vast scope for computer education. The Company is providing consultancy services in these fields. The management is exploring new areas of business opportunities to expand its business.

OPPORTUNITIES AND THREATS

We believe our competitive strengths include:

- Leadership in sophisticated solutions that enable our clients to optimize the efficiency of their business.
- Commitment to superior quality and process execution.
- Strong brand and long-standing client relationships.
- Status as an employer of choice.
- Innovation and leadership.

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

OUTLOOK, RISKS AND CONCERNS

This section contains forward – looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements.

As the industrial and economic growth of the country is showing steady improvement. There is no perceived risk and concern in this area of business and there is an ample scope for growth in India itself.

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trend may differ materially from historical results, depending on variety of factors. There risk and concerns faced by the Company are similar to those faced by any growing organization in today dynamic industrial and economic scenario.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company ensures adherence to all Internal Control policies and procedures as well as compliance with all regulatory guidelines. The adequacy of internal controls is reviewed by the Audit Committee of the Board of Directors.

The Company's internal control systems are adequate, considering size and nature of operation of the Company, to meet regulatory/statutory requirements assure recording of all transactions and report reliable and timely financial information. Additionally, it also provides protection against misuse or loss of any of the company assets.

FINANCIAL PERFORMANCE

The "Financial performance of your Company, for the year ended **31st March, 2013** is summarised below:

Particulars	2012-13 Consolidated	2012-13	2011-12
Total Revenue	20,28,58,903	94,34,243	42,73,564
Total expenses & Depreciation	19,88,16,381	67,67,809	37,35,147
Profit before tax	40,42,522	26,66,434	5,38,417
Total Tax	13,03,485	8,76,485	1,75,000
Profit for the period	27,39,037	17,89,949	3,63,417

DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATION FRONT

With the integration of markets and application of IT on wider scale, there has been a sea-change in the way the businesses are conducted today. The industry needs to update itself with such changing requirements. One of the ways of meeting this task is to equip the personnel working in the industry with the skills and knowledge of the latest. The Company is endeavoring to strengthen its man power.

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 future events, or otherwise. Readers are cautioned not to place undue reliance on this forward looking statements that speak only as of their dates.

FOR AND ON BEHALF OF THE BOARD

PLACE: MUMBAI
DATE: 30th May, 2013

Sd/-
RUCHIR MOHUNTA
Managing Director

DIRECTORS' REPORT

The Directors have pleasure in presenting their **THIRTY FIRST ANNUAL REPORT** on the business and operations of the Company for the year ended **31st March, 2013**.

1. FINANCIAL RESULTS:

	31st March, 2013 Consolidated	31st March, 2013	31st March, 2012
Income from sales & Other Sources	20,28,58,903	94,34,243	42,73,564
Expenses & Depreciation	19,88,16,381	67,67,809	37,35,147
Net Profit/ (Loss) before Taxation	40,42,522	26,66,434	5,38,417
Provision for Taxation	12,56,122	8,29,122	1,61,309
Excess Provision for Income Tax (written back)			
Deferred Taxation Assets	47,363	47,363	11,127
Profit/ (Loss) after Taxation.	27,39,037	17,89,949	3,63,417
Add: balance b/f from previous year	(1,38,14,900)	(1,38,14,900)	(1,43,06,202)
Balance carried to Balance Sheet	(1,10,75,863)	(1,20,24,951)	(1,38,14,900)

2. OPERATIONS:

During the year under Report the Company has earned an income as follows:

Particulars	2012-13 Consolidated	2012-13	2011-12
Total Revenue	20,28,58,903	94,34,243	42,73,564
Total expenses & Depreciation	19,88,16,381	67,67,809	37,35,147
Profit before tax	40,42,522	26,66,434	5,38,417
Total Tax	13,03,485	8,76,485	1,75,000
Profit for the period	27,39,037	17,89,949	3,63,417

3. DIRECTORS:

During the year under review the following director's was on the Board of the company:

Sr. No.	Name of Director	Designation	Date of Appointment
1	Ruchir Mohunta	Managing Director	25/10/2011
2	Kamal Nayan Sharma	Non Executive Director	25/10/2011
3	Deepa Dalmia	Independent Director	17/12/2012
4	Varsha Murarka	Independent Director	13/02/2012

4. DIVIDEND:

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

5. SCHEME OF ARRANGEMENT OF COMPANY:

The Directors are glad to inform that the Company has successfully complete the merger of two non listed public Companies with the Company vide Order of Hon'ble High Court

Mumbai on 4th May, 2012 Under section 391 & 393 of the companies Act, 1956 entered into a scheme of arrangement i.e. scheme of merger of M/s. Niki Metal Co. Limited and M/s. Lambodar Nirmal Limited with Indian Infotech and Software Limited and preferential allotment of shares to specified investors. The Hon'ble High Court Bombay sanctioned the scheme of arrangement on 04/05/2012.

The amalgamation has been accounted for under the "Pooling of Interest Method" as per AS 14. Accordingly, as on appointed date, all the assets and liabilities have been taken at their book value and all the reserves identity has been preserved and added to identical reserves of IISL. The liabilities have been accounted for on their book value basis of accrual and certainty as decided by the management. However, as per the scheme the difference between Net asset value and equity shares issued to shareholders of transferor companies shall be recorded as Capital Reserve or goodwill.

6. AUDITORS:

M/s Sanjay N. Shah & Co., Chartered Accountants, Mumbai, are to be re-appointed as Statutory Auditors of the Company to hold office until the conclusion of next Annual General Meeting, to act as Statutory Auditor of the Company. The Company has received confirmation from them that the appointment, if made, would be within the limits prescribed U/s. 224(1B) of the Companies Act, 1956.

7. AUDITOR'S REPORT:

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

8. DEPOSITS:

During the year under report the company has neither invited nor accepted any public fixed deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

9. PARTICULARS OF EMPLOYEES:

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

10. 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.

11. ADDITIONAL INFORMATION:

Part A and part B of the Particulars required to be furnished under the companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 are Nil. There were no foreign exchange earnings and out go during the year.

12. DIRECTOR'S RESPONSIBILITY STATEMENT:

- a) 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;
- 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: 30th May, 2013

Sd/-
RUCHIR MOHUNTA
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: 30th May, 2013

Sd/-
RUCHIR MOHUNTA
Managing Director