

**INDIAN INFOTECH
&
SOFTWARE LIMITED**

**29th Annual Report for the year ended
31st March, 2011**

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

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

AUDITORS : M/S SARDA SONI ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

REGISTERED OFFICE : EMPIRE HOUSE, 3RD FLOOR,
ADMINISTRATION OFFICE 214, DR. D. N. ROAD,
FORT, MUMBAI – 400 001.

Website : www.indianinfotechandsoftwareltd.com

E-mail : contact@indianinfotechandsoftwareltd.com

NOTICE

NOTICE is hereby given that the **TWENTY-NINTH 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, 26th September 2011 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 31st March, 2011 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2011 and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri R. M. Khandelwal, 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 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.

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., Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai-400072 on or before 16th September, 2011. The Company will not be in a position to act upon any document, which is incomplete or received after 16th September, 2011.
4. The Register of Members and the Share Transfer Book of the Company will remain closed from 16th September, 2011 to 26th September, 2011 (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.

FOR AND ON BEHALF OF THE BOARD

PLACE: MUMBAI
DATE: JUNE 14, 2011

Sd/-
N. K. PAREEK
DIRECTOR

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

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.

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 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.

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.
- Ability to scale.
- Innovation and leadership.

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

During the year under Report the Company has earned an income of Rs. 12,65,960/- as against Rs. 3,13,394/- in the previous year ended 31st March, 2010. The profit/(Loss) before tax was (Rs. 1,60,75,782/-) as against the loss of Rs. 9,73,115/- in the previous year ended 31st March, 2010. The net Profit/(Loss) after tax during the year was (Rs. 1,60,87,528/-) as against loss of Rs. 8,74,109/- in the previous year ended 31st March, 2010.

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 endeavouring 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 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.

FOR AND ON BEHALF OF THE BOARD

**PLACE: MUMBAI
DATE: JUNE 14, 2011**

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

DIRECTORS' REPORT

The Directors have pleasure in presenting their TWENTY-NINTH ANNUAL REPORT on the business and operations of the Company for the year ended 31st March, 2011.

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

	31st March, 2011	31st March, 2010
Income from sales & Other Sources	12.66	3.13
Depreciation	0.27	0.42
Net Profit/ (Loss) before Taxation	(160.76)	(9.73)
Provision for Taxation	-	-
Excess Provision for Income Tax (written back)	-	-
Deferred Taxation Assets	0.12	(0.99)
Profit/ (Loss) after Taxation.	(160.88)	(8.74)
Add: balance b/f from previous year	14.34	23.08
Balance carried to Balance Sheet	146.53	14.34

2. DIVIDEND:

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

3. DIRECTORS:

Shri R. M. Khandelwal, 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. L. Mundra, Managing director of the Company expired on 16-06-2010. The Board of Directors of the Company expresses their profound grief on said demise of Shri. K. L. Mundra, Managing Director of the Company and places on record their valuable services rendered to the Company.

The Board in its meeting held on 30th 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. OPERATIONS:

During the year under Report the Company has earned an income of Rs. 12,65,960/- as against Rs. 3,13,394/- in the previous year ended 31st March, 2010. The profit/(Loss) before tax was (Rs. 1,60,75,782/-) as against the loss of Rs. 9,73,115/- in the previous year ended 31st March, 2010. The net Profit/(Loss) after tax during the year was (Rs. 1,60,87,528/-) as against loss of Rs. 8,74,109/- in the previous year ended 31st March, 2010.

5. REVOCATION OF SUSPENSION IN TRADING OF SHARES.

The Directors are glad to inform that the Bombay Stock Exchange vide Notice No. 20100720 - 12 dated 20th July, 2010 has revoked the suspension in trading of equity shares of the company w.e.f. 26th 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.

6. FORFEITURE OF SHARES.

During the year under report the Board of Directors of the Company in its meeting held on 23rd November, 2011 has forfeited 405499 Equity Shares on which call money for balance amount was not paid by the partly paid up Shareholders. In spite of reminders sent to them.

7. AUDITORS:

M/s Sarda Soni Associates, 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 H. P. Biyani & 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.

8. 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.

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:

- 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: JUNE 14, 2011**

**Sd/-
N. K. PAREEK
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: JUNE 14, 2011**

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

CORPORATE GOVERNANCE REPORT

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 2010-11 based on the disclosure requirement under Clause 49 of the Listing Agreement existing as on 31st March, 2011.

2. Board of Directors:

The board of directors was properly constituted as per clause 49 I(A) of the Listing Agreement. During the year under report there were five directors upto 16-06-2010 and thereafter due to death of Shri K. L. Mundra on 16-06-2010 the strength of the board became four. Shri N. K. Pareek was Executive Director and Shri R. M. Khandelwal was the non executive director and Shri G. K. Joshi and Shri. Surendra Rao were 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 2010-11	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	Executive Director	-	No	2	Nil	Nil
Shri. N. K. Pareek	Executive Director	6	Yes	1	Nil	Nil
Shri. G. K. Joshi	Independent Director	6	Yes	3	1	2
Shri Surendra Rao	Independent Director	6	Yes	Nil	Nil	Nil
Shri. R. M. Khandelwal	Non- Executive Director	5	No	2	2	Nil

(details are as on 31st March, 2011)

Note : Shri K. L. Mundra, Director of the Company expired on 16-06-2010 and hence ceased as a Director of the Company.

* 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 31st March, 2011, 6(Six) Meetings of the Board of Directors were held as on 29/04/2010, 30/07/2010, 28/10/2010, 23/11/2010, 15/12/2010 and 20/01/2011.

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 29th January, 2009 All the Board members and senior management personnel have affirmed compliance with the said Revised Code.

Particulars of Re-appointment Directors :

Name : Shri R. M. Khandelwal
 Designation : Non Executive Director
 Age : 79 years
 Qualification : Graduate from Rajasthan University
 Experience : 33 years of experience in Business Management.
 Other Directorship : M/s Citric India Ltd.
 M/s Chemo Pharma Laboratories Ltd.

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 consists of Shri. G. K. Joshi, as the Chairman Shri R. M. Khandelwal and Shri Surendra Rao as Member of the Audit Committee.

- | | | |
|----|-----------------------|----------|
| 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 2010-11 under review 4(Four) meetings of the Audit Committee were held, on **29/04/2010, 30/07/2010, 28/10/2010 and 20/01/2011.**

The attendance of members are as follows:

Name	Category	Meetings during the year 2010-11	
		Held	Attended
Shri G. K. Joshi	Chairman	4	4
Shri R. M. Khandelwal	Member	4	4
Shri. Surendra Rao	Member	4	4

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

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

ii. Composition:

The Share Transfer & Shareholders/Investors' Grievance Committee consists of Shri. G. K. Joshi, as the Chairman, Shri R. M. Khandelwal and Shri Surendra Rao as Member of the Share Transfer & Shareholders/Investors' Grievance Committee.

- | | | |
|----|-----------------------|----------|
| 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 4(Four) times during the 2010-11 on 29/04/2010, 30/07/2010, 28/10/2010 and 20/01/2011. The attendances of the members are as follows:

Name	Category	Meetings during the year 2010-11	
		Held	Attended
Shri G. K. Joshi	Chairman	4	4
Shri R. M. Khandelwal	Member	4	4
Shri. Surendra Rao	Member	4	4

Name & 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
2009-2010	29/09/2010	3:30 P.M.	At Regd. Office, Mumbai
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

- (b) Whether Special Resolution were put through postal ballot last year : No
- (c) Are votes proposed to be conducted through postal ballot this year : No

4. Other disclosures:

(a) Related Party Transactions

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

(b) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable. The Company has not complied with Revised Accounting Standard AS-15 for Gratuity and Leave Encashment as the same are being accounted for on Cash Basis.

(c) Disclosures on Risk Management

During the year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and the Board has been informed about the risk assessment and minimization procedures as required under Clause 49 of the Listing Agreement. The Company has framed the Risk Assessment and Minimization- Procedure which will be periodically reviewed by the Board.

(d) Code of Conduct

The Board of Directors has adopted the Code of Ethics and Business Principles for the Non-executive Directors as also for the employees including Executive Director. The said Code has been communicated to all the Directors.

- (e)** Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : None

5. CEO/CFO Certification

A certificate from Shri N. K. Pareek, CEO on the financial statements of the Company was placed before the Board, as required by Clause 49(V) of the Listing Agreement. There was no CFO in the Company.

Means of communication:**(a) Quarterly results:**

The Unaudited quarterly results are announced within 45 days from the end of the quarter and the audited annual results within three months from the end of the last quarter, as stipulated under the listing agreement with the Bombay Stock Exchange Limited & Ahmedabad Stock Exchange Ltd.

- (b)** Newspapers wherein normally published : Yes

- (c)** Any Website, wherein displayed: No

- (d)** Whether Website also displays official news releases: No

- (e)** Whether presentations made to institutional investors or to the analysts : No

- (f)** Whether Management Discussion & Analysis Report is a part of Annual Report: Yes

6. General Shareholder information:

- (a) AGM date, time and venue:** Annual General Meeting will be held on Monday, the 26th September 2011 at 3.30 P.M. at the Registered office of the Company - 3rd Floor, Empire House, 214, Dr. D. N. Road, Mumbai-400 001.

- (b)** Financial Year: The Financial Year is from 1st April to 31st March.

Tentative Schedule

Unaudited Results for quarter ending June 30, 2011	:	14 th August, 2011
Unaudited Results for quarter ending September 30, 2011	:	14 th November, 2011
Unaudited Results for quarter ending December 31, 2011	:	14 th February, 2012
Unaudited Results for year ending March 31, 2012	:	15 th May, 2012
AGM for year ending March 31, 2012	:	End September, 2012

- (c)** Book Closure period: Share Transfer Register will be closed from 16th September, 2011 to 26th September, 2011 (Both Days Inclusive)

- (d)** Dividend payment date: Not Applicable

- (e) Stock Exchanges where securities are listed.**

The Company's securities are listed at:

- Bombay Stock Exchange Limited (BSE)**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
- Ahmedabad Stock Exchange Ltd.**
Kamdheni Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad – 380 015

STOCK MARKET DATA:

During the year the trading on the shares of the Company continued to be suspended. The company has already approached Bombay Stock Exchange (BSE Ltd.) for revocation of suspension in trading of shares and compliances for this purpose has been made and the Company's Application for revocation of suspension in

trading of shares is pending consideration by the Bombay Stock Exchange Limited till 31st March, 2010.

The Trading in shares at Ahmedabad Stock Exchange Ltd. still continues to remain suspended.

Note:

The Bombay Stock Exchange vide Notice No. 20100720 - 12 dated 20th July, 2010 has revoked the suspension in trading of equity shares of the Company w.e.f. 26th 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.

(f) **Stock code: 509051**
INE 300B01014

(g) **Registrar and Transfer Agent:**

M/s Sharex Dynamic (India) Pvt. Ltd.

Unit No. 1, Luthra Industrial Premises,

Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072

(h) **Share transfer system with number of shares transferred:**

Share transfers in physical form are registered and returned within a period of 15-20 days from the date of receipt, in case documents are complete in all respects. The Share Transfer & Shareholders' / Investors' Grievance Committee meets at least every fortnight. The total number of shares transferred during the financial year under review were as below:

	No. of transfers	No. of Shares
Transfer:	55	1272360
Other cases (like; deletion, transmission, transposition etc.)	Nil	Nil
Total	55	1272360

(i) Dematerialization of shares and liquidity: Yes

(j) Outstanding GDRs/ Warrants, Convertible Bonds, conversion date and its impact on equity. Nil

(k) **Distribution of Shareholding and Shareholding Pattern as on 31st March, 2011.**

(l) **Distribution of Shareholding as on 31st March, 2011:**

No. of Shares	No. of Shares	%	No. of Shareholders	%
Upto 5000	3,36,243	7.77	1658	82.86
5001-10000	1,72,420	3.98	200	10.00
10001-20000	1,15,434	2.66	73	3.65
20001-30000	63,922	1.48	25	1.25
30001-40000	39,343	0.91	11	0.55
40001-50000	19,700	0.46	4	0.20
50001-100000	65,156	1.51	9	0.44
100001-ABOVE	35,16,083	81.23	21	1.05
Total	43,28,301	100.00	2001	100.00

(ii) **Category of Shareholders As on 31/03/2011:**

	No. of Shares held	% to Total Shares
Promoter Group	26,17,050	60.46
Mutual Funds and UTI	10,651	0.25
Banks & Financial institutions & Insurance Companies etc.	-	-
Corporate Bodies	5,42,640	12.54
General Public	11,57,681	26.74
NRIs / OCBs	279	0.01
TOTAL	43,28,301	100.00

(i) **Address for correspondence:**

The Company's Registered Office is situated at –

INDIAN INFOTECH & SOFTWARE LTD.

3rd Floor, Empire House, 214, Dr. D. N. Road, Mumbai-400 001

Any Correspondence by the shareholders should be addressed either to Registered Office at above address or Registrar/ Share Transfer Agents.

Non-Mandatory Requirements:**(a) Office of the Chairman of the Board:**

The Company does not defray the secretarial expenses of the Chairman's office.

(b) Remuneration Committee

The Company has not constituted remuneration committee.

(c) Shareholder rights- furnishing of half yearly results:

The Company's Quarterly results are not published in newspapers and are, therefore, sent to the shareholders.

Postal Ballot:

The Company will comply with the requirements of postal ballot as and when such matter arises requiring approval of the shareholders by such process in terms of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

Adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board have affirmed compliance with the Code of Conduct for the year ended 31st March, 2011.

FOR INDIAN INFOTECH & SOFTWARE LTD.

PLACE: MUMBAI
DATE : JUNE 14, 2011

Sd/-
N. K. PAREEK
DIRECTOR

CEO CERTIFICATE

I, N. K. Pareek, CEO of Indian Infotech & Software Ltd, to the best of my knowledge and belief certify that:

1. I have reviewed the balance sheet and profit and loss account, and all its schedules and notes to accounts, as well as the cash flow statement:
 2. Based on my knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made:
 3. Based on my knowledge, information and belief, the financial statements and other financial information included in this report present a true and fair view of the company's affairs for the period presented in this report and are in compliance with the existing accounting standards, applicable laws and regulations:
 4. To the best of my knowledge, information and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's Code of Conduct:
 5. I am responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting:
 6. I have disclosed, based on my most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be to rectify the deficiencies;
- I have indicated to the Auditors and the Audit Committee:
- a) Significant changes in the Company's internal control over the financial reporting during the year;
 - b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - c) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

PLACE: MUMBAI
DATE : JUNE 14, 2011

Sd/-
N. K. PAREEK
(CEO)

CERTIFICATE OF CORPORATE GOVERNANCE REPORT

To The Members of **Indian Infotech & Software Ltd.**
Empire House, 3rd Floor, 214 Dr. D. N. Road,
Fort, Mumbai – 400 001

We have examined the compliance of conditions of Corporate Governance by **INDIAN INFOTECH & SOFTWARE LIMITED** for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement(s), except that the Company has not complied with Clause 49(V) of Listing Agreement as Certificate on financial reporting and internal controls to the Board of Directors has been given by CEO only the following

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR S. K. JAIN & COMPANY
PRACTICING COMPANY SECRETARIES

Sd/-
(S. K. JAIN)
Partner
C.P. NO. 3076

PLACE : MUMBAI
DATED : 14th JUNE, 2011

COMPLIANCE CERTIFICATE

Registration No	: 11-027198	
Authorised Capital	: Equity Share Capital	: Rs. 52,500,000/-
Paid Up Capital	: Equity Share Capital	: Rs. 43,283,010/-

To
The Members
INDIAN INFOTECH AND SOFTWARE LIMITED
Empire House, 3rd Floor, 214 Dr. D. N. Road,
Fort, Mumbai – 400 001

We have examined the registers, records, books and papers of **M/s. INDIAN INFOTECH AND SOFTWARE LIMITED** as required to be maintained under the Companies Act, 1956 and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid Financial Year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the Rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made there under subject to delay in filing of certain documents as mentioned in "Annexure B"
3. The Company, being a Public Limited Company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met 6 (Six) times respectively on **29/04/2010, 30/07/2010, 28/10/2010, 23/11/2010, 15/12/2010 and 20/01/2011.**, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company had closed its Register of Members and Share Transfer Books in respect of the Equity Shares of the Company from 22/09/2010 to 29/09/2010 (Both days inclusive).
6. The Annual General Meeting for the Financial Year ended on 31st March, 2010 was held on 29th September, 2010 after giving due notice to the Members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No- Extra Ordinary General Meeting was held during the Financial Year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has entered the particulars of Contract or arrangement that need to be entered into the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government as the case may be.
12. The Board of Directors has approved the issue of Duplicate Share Certificates.
13. The Company has
 - i. Delivered Share Certificate as there was transfer and transmission of securities, issue of duplicate Share Certificates during the Financial Year.
 - ii. not deposited any amount in a separate Bank Account as no dividend was declared during the Financial Year.
 - iii. not posted warrants to any member of the Company as no dividend was declared during the Financial Year.
 - iv. The Company has deposited a sum of Rs.90,571/- into Investor Education and Protection Fund towards Unclaimed Dividend for the year 1996-97 as required under Section 205C of the Companies Act, 1956, However there was no unpaid/ Unclaimed amount to be deposited into Investor Protection under section 205C of the Companies Act in respect of application money due for refund, matured deposits, matured debentures and the

interest accrued thereon which have remained unclaimed or unpaid for the period of seven years and liable to be transferred to Investor Education and Protection Fund.

- v. duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of any Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year. However due to death of Shri. K L Mundra on 16/06/2010 he ceased to be director of the Company..
 15. The Company has not appointed any Managing director/ Whole Time Director/ Manager during the Financial Year.
 16. The Company has not appointed any sole selling agents during the Financial Year.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities prescribed under the various provisions of the Act.
 18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
 19. The Company has not issued any Preference Shares and Equity Shares during the Financial Year.
 20. The Company has not bought back any shares during the Financial Year. However the Company has forfeited 405,499 Shares of Rs.10/- each.
 21. There was no redemption of preference shares or debentures during the Financial Year.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the Financial Year.
 24. The Company has not made any borrowings during the year, which would attract provisions of Section 293 (1) (d) of the Act.
 25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association pursuant to the provisions of the Act during the Financial Year.
 31. There was no prosecution initiated against or show cause notices received by the Company during the Financial Year, for offences under the Act.
 32. The Company has not received any money as security from its employees during the Financial Year.
 33. The Company has not deducted contribution towards Provident Fund under Provident Fund Scheme u/s 418 of the Act as the Company has not constituted any Provident Fund for its Employees.

Place : Mumbai

Date : 14/06/2011

Signature :
Name of the Company Secretary:
S.K. JAIN & CO.
Practicing Company Secretaries

Sd/-
S. K. Jain
Partner
C. P. No. : 3076

Annexure 'A'**Registers as maintained by the Company**

- | | |
|--|----------|
| 1. Register of Investments | u/s 49 |
| 2. Register of Members | u/s. 150 |
| 3. Register of Share Transfers | |
| 4. Register of Directors, Managing Directors etc., | u/s 303 |
| 5. Register of Director's Share Holding | u/s 307 |
| 6. Applications and Allotment Register | |
| 7. Minutes Book of the Meeting of Board of Directors and Members | u/s 193 |
| 8. Books of Accounts | u/s 209 |
| 9. Register of Directors Attendance | |

Place : Mumbai

Date : 14/06/2011

Signature :

Name of the Company Secretary:
S.K. JAIN & CO.
Practicing Company Secretaries

Sd/-

S. K. Jain
Partner
C. P. No. : 3076

Annexure 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ended 31st March, 2010.

SN.	Nature of Document	Date of Document	Date of Filing	Whether filed within time	If No, whether additional fees paid
1.	Form 23 B	29/09/2010	07/10/2010	Yes	No
2.	Form 23AC	31/03/2010	07/10/2010	Yes	No
3.	Form-66	31/03/2010	07/10/2010	Yes	No
4.	Form-23ACA	31/03/2010	07/10/2010	Yes	No
5.	Form Schedule V	29/09/2010	09/10/2010	Yes	No
6.	Form 32	16/06/2010	11/08/2010	No	Yes
7.	Form 1INV	28/12/2010	10/01/2011	Yes	No

Place : Mumbai

Date : 14/06/2011

Signature :

Name of the Company Secretary:
S.K. JAIN & CO.
Practicing Company Secretaries

Sd/-

S. K. Jain
Partner
C. P. No. : 3076

AUDITOR'S REPORT

To The Members of
INDIAN INFOTECH AND SOFTWARE LIMITED

We have audited the attached Balance Sheet of **INDIAN INFOTECH AND SOFTWARE LIMITED** as at 31st March, 2011, the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, and read with the amendments made by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :-

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 2) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
- 3) The Balance Sheet and the Profit and Loss Account referred to in the report are in agreement with the books of account;
- 4) In our opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report complies with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- 5) On the basis of written representation received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) we report that of subsection (1) of Section 274 of the Companies Act, 1956.
- 6) In our opinion and to the best of information and according to the explanation given to us, the said accounts read together with other notes, thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India :
 - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date.
 - iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR SARDA SONI ASSOCIATES
Chartered Accountants,

Sd/-
(**MANOJ KUMAR JAIN**)
Partner
M. NO. 120788

Place : Mumbai
DATE : 14/06/2011

ANNEXURE TO THE AUDITORS' REPORT**(Referred to in our Report of even date)**

- (i) a. The Company has maintained statement of all assets showing full particulars including quantitative details and situation of fixed assets. However, the same is to be updated in the Fixed Assets Register.
- b. We have been informed that most of the assets have been physically verified by the management during the period under audit and no material discrepancies were noticed on such verification.
- c. During the year, the Company has not disposed off a major part of the fixed assets.
- (ii) As the Company is an service provider, it does not have any inventory.
- (iii) (a) In our opinion and according to the information and explanation given to us the rate of interest and other terms and conditions on which the loan have been granted are not prima facie prejudicial to the interest of the company.
- (b) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties had repaid principal and interest amounts wherever stipulated.
- (c) There is no overdue amount of loan granted to companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (d) The Company has not taken any loan from the companies, Firm, Party covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.
- (v) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public;
- (vii) The company does not have an internal audit system.
- (viii) (a) As informed to us the Provident fund and Employees' State Insurance Act are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of sales tax, income tax, customs duty, wealth duty, excise duty and cess were in arrears, as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (ix) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. Further the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (x) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xi) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xii) In our opinion, the company is not a chit fund or a *nidhi* mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- (xiii) The Company has maintained proper records with regards to its transactions and contracts in respects of investments in shares and other securities and timely entries have been made therein. All these shares and other securities have been held by the company in its own name, except to the extent of exemption granted under Section 49 of the Companies Act, 1956 and for certain shares which are lodged for transfer or held with valid transfer forms;
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions;
- (xv) According to the information and explanations given to us, the Company has not taken any term loans during the year;
- (xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xvii) According to the information and explanations given to us, the Company had not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xviii) According to the information and explanations given to us, the Company has not issued debentures;
- (xix) According to the information and explanations given to us, the Company has not raised money by public issues during the year;
- (xx) According to the information and explanations given to us, no fraud on or by the company had been noticed or reported during the course of our audit.

FOR SARDASONI ASSOCIATES
Chartered Accountants,

Sd/-
(MANOJ KUMAR JAIN)
Partner
M. NO. 120788

Place : Mumbai
DATE : 14/06/2011

BALANCE SHEET AS AT MARCH 31, 2011

	SCHEDULE	AS AT 31.3.2011 (RUPEES)	AS AT 31.3.2010 (RUPEES)
SOURCES OF FUNDS :			
1. SHAREHOLDERS' FUNDS			
SHARE CAPITAL	A	43,283,010	40,919,875
RESERVES & SURPLUS	B	1,048,748	1,816,325
TOTAL		44,331,758	42,736,200
APPLICATION OF FUNDS :			
1. FIXED ASSETS			
GROSS BLOCK	C	3,073,292	3,073,292
Less : Depreciation		3,016,882	2,990,363
NET BLOCK		56,409	82,929
2. INVESTMENTS	D	92,708	24,701,234
3. DEFERRED TAX ASSET		63,653	75,399
4. CURRENT ASSETS, LOANS AND ADVANCES :			
Cash & Bank Balance	E	18,342,908	834,393
Loans & Advances	F	11,492,004	17,616,893
		29,834,912	18,451,286
Less: Current Liabilities & Provisions			
Current Liabilities	G	22,125	530,628
Provision	H	-	44,019
		22,125	574,647
NET CURRENT ASSETS		29,812,787	17,876,639
Surplus/ (Deficit) as per Profit & Loss A/c.		14,306,203	-
TOTAL		44,331,758	42,736,200
Notes forming part of the Accounts	N	-	-

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR SARDA SONI ASSOCIATES

Chartered Accountants

Sd/-

(MANOJ KUMAR JAIN)

PARTNER

M.NO. 120788

FOR AND ON BEHALF OF THE BOARD

Sd/-

G. K. JOSHI

(DIRECTOR)

Sd/-

N. K. PAREEK

(DIRECTOR)

PLACE : MUMBAI

DATED : 14TH JUNE, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

	SCHEDULE	Current year 31.3.2011 (RUPEES)	Previous Year 31.3.2010 (RUPEES)
<u>INCOME</u>			
Income from Operation	I	600,000	600,000
Other Income	J	665,960	397,261
TOTAL		1,265,960	997,260
<u>EXPENDITURE</u>			
Salary & Bonus	K	280,500	414,000
Establishment & Other Expenses	L	1,065,242	830,572
Depreciation		26,521	41,938
Long Term Capital Loss on sale of shares	M	15,969,478	683,866
TOTAL		17,341,742	1,970,376
NET PROFIT/(LOSS) BEFORE TAXATION		(16,075,782)	(973,115)
Less: Provision for Taxation			
- Current Years		-	-
- Deferred tax (Assets)/Liabilities		11,746	(99,006)
NET PROFIT/(LOSS) AFTER TAXATION		(16,087,528)	(874,109)
Add : Balance b/f from previous year		1,434,113	2,308,222
Amount available for appropriation		(14,653,415)	1,434,113
Less: General Reserve B/f from previous year		347,212	-
APPROPRIATION :			
Balance carried to Balance Sheet		(14,306,203)	1,434,113
TOTAL		(14,306,203)	1,434,113
Basic Earning Per share (Refer note No. 9 of Schedule N)		(3.72)	(0.21)

Notes forming part of the Account

N

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR SARDA SONI ASSOCIATES
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Sd/-
(MANOJ KUMAR JAIN)
PARTNER
M.NO. 120788Sd/-
G. K. JOSHI
(DIRECTOR)Sd/-
N. K. PAREEK
(DIRECTOR)PLACE : MUMBAI
DATED : 14TH JUNE, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	AS AT 31.3.2011 (RUPEES)	AS AT 31.3.2010 (RUPEES)
<u>SCHEDULE 'A'</u>		
<u>SHARE CAPITAL :</u>		
<u>AUTHORISED CAPITAL</u>		
5,250,000 Equity Shares of Rs. 10/- each (Previous year 5,250,000 Equity Shares of Rs.10/- each)	52,500,000	52,500,000
<u>ISSUED CAPITAL</u>		
50,08,000 Equity Shares of Rs. 10/- each (Previous Year 5,008,000 Equity Shares of Rs.10/- each)	50,080,000	50,080,000
<u>SUBSCRIBED CAPITAL</u>		
4,733,800 (Previous Year 4,733,800) Equity Shares of Rs. 10/- each Fully Called Up.	47,338,000	47,338,000
	47,338,000	47,338,000
<u>PAID UP CAPITAL</u>		
4,328,301 (Previous Year 4,733,800) Equity Shares of Rs. 10/- each Fully Paid Up.	43,283,010	47,338,000
Less : Calls in Arrears (855750 shares @ Rs. 7.50/- per share)	-	6,418,125
TOTAL	43,283,010	40,919,875
<u>SCHEDULE 'B'</u>		
<u>RESERVES & SURPLUS :</u>		
General Reserves (As per last Balance Sheet)	-	347,212
Special Reserve (As per last Balance Sheet)	35,000	35,000
Shares Forfeited A/c (405499 Shares @ Rs. 2.50/- paid up)	1,013,748	-
Surplus/(Deficit) in Profit & Loss A/c	-	1,434,113
TOTAL	1,048,748	1,816,325

Note : 1. During the year the Company has forfeited 405499 partly paid shares and as a consequence a sum of the Rs.10,13,748/- has been credited to Shares Forfeited A/c.

2. During the year the Company received Rs.3376882.50 against 450251 equity shares @ Rs.7.50 per shares towards calls in arrears.

**SCHEDULE 'C' -
FIXED ASSETS**

SR. NO	Description of Assets	Depreciation Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
			As at 1.4.2010	Additions during the year	As at 31.3.2011	Upto 1.4.2010	For the year	Upto 31.3.2011	As at 31.3.2011	As at 31.3.2010
1.	Computer	40%	2,902,777	-	2,902,777	2,848,830	21,579	2,870,409	32,368	53,947
2.	Furniture & Fixture	18.1%	161,025	-	161,025	139,303	3,932	143,235	17,790	21,722
3.	Office Equipments	13.9%	9,490	-	9,490	2,229	1,010	3,239	6,251	7,261
	Total		3,073,292	-	3,073,292	2,990,362	26,520	3,016,882	56,410	82,930
	Previous Year Rupees		3,073,292	-	3,073,292	2,948,425	41,938	2,990,362	82,930	124,867

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**SCHEDULE ' D '****INVESTMENTS (AT COST)****LONG TERM INVESTMENTS :****Quoted**

	AS AT 31.3.2011 (RUPEES)	AS AT 31.3.2010 (RUPEES)
a) 2080650 (Previous year 2080650) Equity Shares of TECIL Chemicals & Hydro Power Ltd. of Rs.10/- each fully paid up. *	-	24,363,728
b) 2144 (Previous year 2,500) Equity Shares of Keynote Corporation Ltd. of Rs.10/- each fully paid (Market Value Rs. 1,25,638/-)	-	58,102
c) 30 (Previous year 60) Equity Shares of Novartis India Ltd. of Rs.10/- each fully paid (Market Value Rs. 19,494/-)	8,280	8,280
d) 52,881 (Previous year 52,881) Equity Shares of Chemo Pharma Laboratories Ltd. of Rs.10/- each fully paid	-	129,558
e) 100 (Previous year 100) Preference Shares of Citric India Ltd. of Rs.10/- each fully paid	-	10,000
f) 20,950 (Previous year 20,950) Equity Shares of Citric India Ltd. of Rs.10/- each fully paid	-	47,138
Total - A	8,280	24,616,806

*** Note:**

Trading in Shares of Tecil Chemicals & Hydro Power Ltd. has been suspended and hence, Market Price is not available.

The Market Value of other quoted Shares is given in bracket.

Unquoted

a) 1,000 (Previous Year 1,000) OFCD of Lloyds Finance Ltd., of Rs.190/- each Rs.50/- partly paid up.	50,000	50,000
b) 6,820 (Previous Year 6,820) Equity Shares of Elchem Sales Corp. Pvt. Ltd. of Rs.10/- each fully paid up.	34,428	34,428
Total - B	84,428	84,428
(A + B)	92,708	24,701,234

SCHEDULE ' E '**CASH & BANK BALANCES**

Cash in Hand	48,841	2,597
Balance with Scheduled Bank in Current Accounts	18,294,067	831,796
TOTAL	18,342,908	834,393

SCHEDULE ' F '**LOANS AND ADVANCES :**

(Unsecured considered good)

a) Advance Recoverable in cash or in kind for value to be received	11,406,624	17,181,303
b) Income-tax & Tax Deducted at Source	85,380	434,921
c) Fringe Benefit Tax	-	669
TOTAL	11,492,004	17,616,893

SCHEDULE ' G '**CURRENT LIABILITIES**

Sundry Creditors	11,095	253,615
Creditors for Expenses	11,030	154,560
Investor Education and Protection Fund	-	122,453
TOTAL	22,125	530,628

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**SCHEDULE ' H '**

Provision for I.T. (AY 2008-09)	-	20,137
Provision for I.T. (AY 2009-10)	-	23,211
Provision for FBT (A.Y. 2007-08)	-	227
Provision for FBT (A.Y. 2008-09)	-	230
Provision for FBT (A.Y. 2009-10)	-	214
	-	44,019

SCHEDULE ' I '**INCOME FROM OPERATIONS**

Consultation Charges	600,000	600,000
(Excluding of Service Tax)		
TOTAL	600,000	600,000

SCHEDULE ' J '**OTHER INCOME**

Interest received on Refund of Income Tax	27,329	-
Miscellaneous Receipts	-	50
Interest received	638,631	388,233
Dividend Received	-	8,978
TOTAL	665,960	397,261

SCHEDULE ' K '**PERSONNEL COST**

Salary to Staff	248,500	384,000
Ex-Gratia	32,000	30,000
TOTAL	280,500	414,000

SCHEDULE ' L '**ESTABLISHMENT & OTHER EXPENSES**

Annual Listing & Filing Fees	43,302	55,966
Auditors remuneration :		
- Audit fees	12,758	10,000
- Service tax	1,030	1,030
Bank Charges	1,520	1,843
Bad Debts Written off	370,440	389,936
Director Remuneration	-	225,000
Profession Tax (Firm)	2,500	2,500
Professional Fees	67,306	22,250
Printing & Stationery	20,720	8,457
Repairs & Maintenance	-	3,301
Service charges paid	-	6,000
Share Transfer Expenses	41,442	57,099
Postage & Telegram	9,422	8,615
Service Tax Paid	11,530	9,516
Telephone Expenses	3,003	3,001
Advertisement & Publicity	12,226	26,058
BSE Penalty	360,453	-
Penalty on On Service Tax	12,000	-
General Charges	1,100	-
Interest Paid	70	-
Interest on Service Tax	765	-
Rates & Taxes	10,081	-
Sundry Balance written Off(net)	83,574	-
TOTAL	1,065,242	830,572

SCHEDULE ' M '**Long Term Capital Gain/Loss on Share (Net)**

Long Term Capital Loss	(16041128)	(683,866)
Long Term Capital Gain	71,650	-
	(15,969,478)	(683,866)

SCHEDULE –N**NOTES FORMING PART OF ACCOUNTS:****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

- i) Income Recognition:
 - a) Revenue is being recognised as and when there is reasonable certainty of ultimate realization.
 - b) Dividend income is accounted on cash basis.
 - ii) Expense Recognition:
It is the Company's policy to provide for all the expenses on accrual basis.
 - iii) Investments:
Long term Investments are stated at cost.
 - iv) a) Fixed Assets:
Fixed Assets are stated at cost.
 - b) Depreciation:
Depreciation on assets is provided on written down value method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
 - v) Treatment of retirement benefits:
Retirement benefits are recorded only on crystallization of liability.
 - vi) Treatment of Contingent Liability:
Contingent liabilities are disclosed by the way of notes.
 - vii) Taxation:
 - a) Income tax expense comprises of the current tax and deferred tax charge or credit.
 - b) The deferred tax asset and deferred tax liability is calculated by applying the tax rate and tax loss that have been enacted or substantially enacted as at the Balance Sheet date.
 - c) Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realization.
 - d) At each balance sheet date, the carrying amount of deferred tax asset is reviewed to reassure realization.
 - viii) Other Accounting Policies:
These are consistent with the generally accounting practices.
2. Interest is accounted wherever stipulation exists in this regard.
 3. Some debit/credit balances and advances are subject to confirmation.
 4. Out of Loans and advances of Rs. 1,14,92,004/- a sum of Rs. 74,08,790/- is doubtful of recovery & a provision amounting to Rs. 3,70,440/- has been made in the accounts.
 5. In the opinion of the Board of Directors of the Company and to the best of their knowledge and belief:
 - a) The value of the realization of the current assets, loans and advances, in the ordinary course of the business would not be less than the amount stated in the Balance Sheet.
 - b) The provision for the depreciation and all known liabilities is adequate and not in excess of the amount reasonably required.
 6. Previous year figures have been reclassified and regrouped wherever necessary.
 7. All figures have been rounded to the nearest rupee.

8. Additional information Pursuant to the provisions of paragraph 3, 4C, and 4D and other information pursuant to the part II of Schedule VI of the Companies Act, 1956 are not applicable to the Company.

9. Earning Per Share:

Particulars	Y. E. 31/03/2011	Y. E. 31/03/2010
Net Profit (Loss) attributable to Shareholders	(160,87,528)	(8,74,109)
Weighted Average Outstanding Equity shares (Nos.)	43,28,301	40,91,988
Basic Earning Per share of Rs. 10/- each	(3.72)	(0.21)

The Company does not have outstanding dilutive potential equity shares. Consequently, the basic earnings per share and diluted earning per share of the Company remains the same.

10. During the year the company has forfeited 405499 partly paid shares and as a consequence a sum of the 10,13,747.50 has been credited to Shares Forfeited A/c.

11. RELATED PARTY DISCLOSURE :

- (A) List of Related Parties.

- a) Key Management Personnel

N. K. PAREEK - Director

- b) Associates

TECIL Chemicals & Hydro Power Ltd.
Shree Consultations & Services Pvt. Ltd.

Note : Related Party relationships have been identified by the management and relied upon by the auditors.

- (B) Related Party Transactions:

- a) Details of Advances:

Group Companies	Opening balance (Rs.)	Given (Rs.)	Received (Rs.)	Closing balance (Rs.)
Tecil Chemicals & Hydro power Ltd.	-	45,00,000	45,00,000	-
Shree Consultations & Services Pvt. Ltd.	-	29,00,000	29,00,000	-

12. The Company does not have a full time Company Secretary as required under Section 383 of the Companies Act, 1956.
13. As per the information available with the company there are no dues outstanding to any Small Scale Industrial undertaking as defined under the Interest on Delayed Payment to Small Scale and Ancillary Industrial Undertaking Act, 1993

AS PER OUR REPORT OF EVEN DATE

**FOR SARDASONI ASSOCIATES
CHARTERED ACCOUNTANTS**

For & on behalf of Board

**Sd/-
MANOJ KUMAR JAIN
(PARTNER)
M. No : 120788**

**Sd/-
G. K. JOSHI
(DIRECTOR)**

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

**PLACE : MUMBAI.
DATE : 14/06/2011**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	FOR THE YEAR ENDED 31.3.2011 (RUPEES)	FOR THE YEAR ENDED 31.3.2010 (RUPEES)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) before tax and extraordinary items	(16,075,782)	(973,115)
Provision for Interest on TDS	-	-
Bad Debts W/off	-	-
Depreciation	26,521	41,938
	(16,049,260)	(931,177)
Dividend Income	-	(8,978)
Long Term Capital Gains	15,969,478	683,866
Interest received	(638,631)	(388,233)
Operating Profit & Loss Before Working Capital Changes	(718,413)	(644,522)
Adjustment For:		
Current Liabilities	(552,522)	26,382
Prior Period Expenses	-	-
Loans & Advances	6,124,889	(34,835)
CASH GENERATED FROM OPERATIONS	4,853,954	(652,975)
NET CASH FLOW FROM OPERATING ACTIVITIES	(A) 4,853,954	(652,975)
CASH FLOW FROM INVESTING ACTIVITIES:		
Sale/ (Purchase) Of Investment	24,608,526	1,370,469
Dividend Received	-	8,978
Purchase of Fixed Assets	-	-
Long Term Capital Gains	(15,969,478)	(683,866)
NET CASH FROM INVESTING ACTIVITIES	(B) 8,639,048	695,580
CASH FLOW FROM FINANCE ACTIVITIES:		
Call Money Received	3,376,882	149,999
Interest received	638,631	388,233
NET CASH FROM FINANCING ACTIVITIES	(C) 4,015,513	538,232
NET INCREASES IN CASH AND CASH EQUIVALENT	17,508,515	580,838
CASH AND CASH EQUIVALENTS AS AT 1st April, 2010 (OPENING BALANCE)	834,393	253,555
CASH AND CASH EQUIVALENTS AS AT 31st March, 2011 (CLOSING BALANCE)	18,342,908	834,393

FOR AND ON BEHALF OF THE BOARD

PLACE : MUMBAI
DATED : 14TH JUNE, 2011

Sd/-
G.K.JOSHI
(DIRECTOR)

Sd/-
N. K. PAREEK
(DIRECTOR)

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statement of Indian Infotech & Software Ltd., for the year ended 31/03/2011. The Statement has been prepared by the company in accordance with the requirement of Clause 32 of Listing Agreement with Stock Exchanges and is based on and is in agreement with corresponding Profit and Loss and Balance Sheet of the Company covered by our report of 14th June, 2011 to the Members of the Company.

FOR SARDA SONI ASSOCIATES
Chartered Accountants

Sd/-
(MANOJ KUMAR JAIN)
PARTNER
M.NO. 120788

PLACE : MUMBAI
DATED : 14TH JUNE, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

(Amount in Rs. Thousand)

I. Registration Details

Registration No. :	27198	State Code :	11
Balance Sheet :	31-March-2011		

II. Capital raised during the year.

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds

TOTAL LIABILITIES	44332	TOTAL ASSETS	44332
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Sources of Funds

Paid up Capital	43283	Reserve & Surplus	1049
Secured Loans	Nil	Unsecured Loans	Nil

Application of Funds

Net Fixed Assets	56	Investments	93
Net Current Assets	29813	Misc. Expenditure	Nil
Deferred Tax Asset	64	Accumulated Losses	14306

IV. Performance of Company

Turnover / Income	1266	Total Expenditure	17342
Profit before Tax	(16076)	Profit after Tax	(16088)
Earning per Share in Rs.	(3.72)	Dividend rate %	-

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Product Description :	Computer Training	Item Code No.:	Not Applicable
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The Schedules and Notes referred to the above form an integral part of the Accounts.

As per our report of even date Signatures of Schedule A to N attached.

FOR SARDA SONI ASSOCIATES
Chartered Accountants

Sd/-
(MANOJ KUMAR JAIN)
PARTNER
M.NO. 120788

FOR AND ON BEHALF OF THE BOARD

Sd/-
G.K.JOSHI
(DIRECTOR)

Sd/-
N. K. PAREEK
(DIRECTOR)

PLACE : MUMBAI
DATED : 14TH JUNE, 2011

INDIAN INFOTECH & SOFTWARE LIMITEDRegd. Office: 3rd Floor, Empire House, 214, Dr. D. N. Road, Fort, Mumbai – 400 001.**PROXY FORM**

I/We ofin the district
 of.....being member/members of above named Company hereby
 appoint.....
of.....in the
 district of.....or failing him.....
of.....in the district of as
 my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on
 Monday, 26th September, 2011 at 3.30 p.m. and at any adjournment thereof.

Signed this..... day of2011

Folio No.

Affix
 Re.1
 Revenue
 Stamp

NOTE: THE PROXY DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE
 COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

-----TEAR HERE-----

INDIAN INFOTECH & SOFTWARE LIMITEDRegd. Office: 3rd Floor, Empire House, 214, Dr. D. N. Road, Fort, Mumbai – 400 001.**ATTENDANCE SLIP**

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full name of the Share Holder _____

Full name of the First Joint Holder _____

(To be filled in if first named joint holder does not attend the meeting)

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I, hereby record my presence at the Meeting of the Share Holders of the Company held at the Registered Office of
 the Company on Monday, 26th September, 2011 at 3.30p.m.

Registered Folio No.-----

Share Holders/Proxy's Signature

(To be signed at the time of handing over the slip)

No. of Shares held -----

If Undelivered, please return to :

INDIAN INFOTECH & SOFTWARE LIMITED

3rd Floor, Empire House, 214, Dr. D. N. Road,
Fort, Mumbai – 400 001.