



# 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

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

**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, 30<sup>th</sup> 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 31<sup>st</sup> 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: 4<sup>th</sup> 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 25<sup>th</sup> September, 2013. The Company will not be in a position to act upon any document, which is incomplete or received after 25<sup>th</sup> September, 2013.
5. The Register of Members and the Share Transfer Book of the Company will remain closed from 26<sup>th</sup> September, 2013 to 30<sup>th</sup> 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: 4<sup>th</sup> 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:

<b>Particulars</b>	<b>2012-13 Consolidated</b>	<b>2012-13</b>	<b>2011-12</b>
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: 30<sup>th</sup> 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 **31<sup>st</sup> March, 2013**.

**1. FINANCIAL RESULTS:**

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

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

**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 4<sup>th</sup> 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: 30<sup>th</sup> 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: 30<sup>th</sup> May, 2013**

**Sd/-**  
**RUCHIR MOHUNTA**  
**Managing Director**

**REPORT ON CORPORATE GOVERNANCE**

**1. Company's Philosophy on Code of Governance:**

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

Your Board of Directors present the Corporate Governance Report for the year 2012-13 based on the disclosure requirement under Clause 49 of the Listing Agreement existing as on 31<sup>st</sup> March, 2013.

**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 four directors as follows:

The Composition of Board of Directors is as under:

Name of Director	Category	No. of Board Meetings attended during 2012-13	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
Mr. Ruchir Mohunta	Managing Director	8	YES	Nil	Nil	Nil
Mr. Kamal Nayan Sharma	Non-Executive Director	6	YES	Nil	Nil	Nil
Ms. Deepa Dalmia	Independent Director	4	No	Nil	Nil	Nil
Ms. Varsha Murarka	Independent Director	4	No	2	1	1

(Details are as on 31st March, 2013)

**Note :**

\* Excludes alternat directorship and Directorship in forgién 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 2012 - 2013, 8 (Eight) Meetings of the Board of Directors were held as on 30/04/2012, 14/05/2012, 31/05/2012, 14/08/2012, 27/08/2012, 03/10/2012, 12/11/2012 and 14/02/2013.

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 all the Board members and senior management personnel have affirmed compliance with the said Revised Code.

### **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 as follows:

- |                            |          |
|----------------------------|----------|
| 1. Ms. Varsha Murarka,     | Chairman |
| 2. Ms. Deepa Dalmia,       | Member   |
| 3. Mr. Kamal Nayan Sharma, | 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 Financial Year 2012-13 under review 4(Four) meetings of the Audit Committee were held, on 14/05/2012, 14/08/2012, 12/11/2012 and 14/02/2013.

The attendances of members are as follows:

Name	Category	Meetings during the Year 2012-13	
		Held	Attended
Ms. Varsha Murarka,	Chairman	4	4
Ms. Deepa Dalmia,	Member	4	4
Mr. Kamal Nayan Sharma	Member	4	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 consists as follows:

- |                            |          |
|----------------------------|----------|
| 1. Ms. Varsha Murarka,     | Chairman |
| 2. Ms. Deepa Dalmia,       | Member   |
| 3. Mr. Kamal Nayan Sharma, | Member   |

The Share Transfer & Shareholders'/Investors' Grievance Committee met 4(Four) times during the 2012-13 on 14/05/2012, 14/08/2012, 12/11/2012 and 14/02/2013.

The attendances of the members are as follows:

Name	Category	Meetings during the year 2012-13	
		Held	Attended
Ms. Varsha Murarka,	Chairman	4	4
Ms. Deepa Dalmia,	Member	4	4
Mr. Kamal Nayan Sharma	Member	4	2

**Name and designation of Compliance officer:**

- CS Nitesh Chaudhary

**Detail of Complaints:**

- |  |       |
|--|-------|
| • No. of shareholders' complaints received during the year           | : 1   |
| • No. of complaints not resolved to the satisfaction of shareholders | : 1   |
| • No. of pending share transfers                                     | : Nil |

**3. General Body Meetings:**

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

Financial Year	Date	Time	Location
2011-2012	28/09/2012	4:30 P. M.	At Regd. Office, Mumbai
2010-2011	26/09/2011	3.30 P. M.	At Regd. Office, Mumbai
2009-2010	29/09/2010	3.30 P. M.	At Regd. Office, Mumbai

Whether Special Resolutions were put through postal ballot last year:	No
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 Ruchir Mohunta, Managing Director 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 CEO/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, as stipulated under the listing agreement with the Bombay Stock Exchange Limited.

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

**(c) Any Website, wherein displayed: Yes**

**(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 scheduled to be held on 30<sup>th</sup> September, 2013 Monday, at 10:30 A.M. at Classic Comfort Hall (Lilly Hall), Shivaji Nagar, Kanyachipada, Film City Road, Goregoan East, Mumbai – 400 063.

**(b) Financial Year:** The Financial Year is from 1<sup>st</sup> April to 31<sup>st</sup> March.

Tentative Schedule

Unaudited Results for quarter ending June 30, 2013	:14 <sup>th</sup> Aug., 2013
Unaudited Results for quarter ending September 30, 2013	:14 <sup>th</sup> Nov., 2013
Unaudited Results for quarter ending December 31, 2013	:14 <sup>th</sup> Feb, 2014
Unaudited Results for year ending March 31, 2014	:15 <sup>th</sup> May, 2014

AGM for year ending March 31, 2014 : End September, 2014

**(c) Book Closure period:** Share Transfer Register will be closed from 26<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (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

**(f) Stock Market Data:**

During the year the trading of the shares of the Company continues shares of the Company is regularly trading in B Group.

**(g) Stock Code:** 509051

**(h) ISIN:** INE 300B01022

**(i) 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  
Tel. No. 022 – 28515606/28515644  
Email id- [investor@sharexindia.com](mailto:investor@sharexindia.com)

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

Share transfers in physical form are registered and returned within a period of 13-15 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:	57	3986000
Other cases (like; deletion, transmission, transposition etc.)	Nil	Nil
<b>Total</b>	<b>57</b>	<b>3986000</b>

Dematerialization of shares and liquidity: 969896100 shares (96.66 %)

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

(l) **Distribution of Shareholding and Shareholding Pattern as on 31st March, 2013.**

(i) **Distribution of Shareholding as on 31<sup>st</sup> March, 2013:**

No. of Shares	No. of Shares	%	No. of Shareholders	%
Upto 5000	2050603	0.20	1243	57.57
5001-10000	953024	0.09	112	5.19
10001-20000	597302	0.06	39	1.81
20001-30000	938294	0.9	36	1.67
30001-40000	1088357	0.11	30	1.39
40001-50000	2299006	0.23	48	2.22
50001-100000	8285219	0.83	107	4.96
100001-ABOVE	987229205	98.38	544	25.20
<b>Total</b>	<b>1003441010</b>	<b>100</b>	<b>2159</b>	<b>100</b>

(ii) **Shareholding pattern as on 31<sup>st</sup> March 2013:**

	No. of Shares held	% to Total Shares
Promoter Group	251405500	25.05
Mutual Funds and UTI	106510	0.01
Banks & Financial institutions & Insurance Companies etc.	-	
Venture Capital Funds	39500	0.00
Corporate Bodies	332951921	33.18
General Public	416737735	41.53
NRIs / OCBs	2199844	0.22
<b>TOTAL</b>	<b>1003441010</b>	<b>100.00</b>

(n) **Address for correspondence:**

The Company's Registered Office is situated at –

**INDIAN INFOTECH & SOFTWARE LTD.**

D – 114, Crystal Plaza, Opp. Infinity Mall, Andheri (w), Mumbai – 400 053.

Tel. No. 022 - 42956833,

Email Id – indianinfotechsoftware@yahoo.com

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 published in newspapers and are, therefore, not sent to the shareholders.

(d) **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, 2011.

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 31<sup>st</sup> March, 2013.

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

**PLACE: MUMBAI**  
**DATE: 30<sup>th</sup> May, 2013**

**Sd/-**  
**RUCHIR MOHUNTA**  
**Managing Director**

**CFO CERTIFICATE**

I, Ruchir Mohunta, Managing Director 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.

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

**PLACE: MUMBAI**  
**DATE: 30<sup>th</sup> May, 2013**

**Sd/-**  
**RUCHIR MOHUNTA**  
**Managing Director**

**CERTIFICATE OF CORPORATE GOVERNANCE REPORT**

**To,**  
**The Members of**  
**INDIAN INFOTECH AND SOFTWARE LIMITED**  
D - 114, CRYSTAL PLAZA, LINK ROAD,  
OPPOSITE INFINITY MALL, ANDHERI (WEST)  
MUMBAI - 400053

I have examined the Compliance of conditions of Corporate Governance by **INDIAN INFOTECH AND SOFTWARE LIMITED**, for the year ended 31<sup>st</sup> March, 2013 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with Stock Exchange(s).

The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementations 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 statement of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I report as under:

I 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 the Listing Agreement as certificate on Financial reporting and Internal controls to the Board of Directors has been given by Mr. Ruchir Mohunta, Managing Director.

I 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.

**PLACE: MUMBAI**  
**DATE: 29<sup>th</sup> May, 2013**

**FOR VINESH K. SHAH & ASSOCIATES**  
**Practising Company Secretaries,**

**Sd/-**  
**(VINESH K. SHAH)**  
**C.P.No.7000**

**Independent Auditor's Report**

To The Members of **INDIAN INFOTECH AND SOFTWARE LIMITED.**

**Report on Financial Statement**

We have audited the accompanying financial statements of **INDIAN INFOTECH AND SOFTWARE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

**Management Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) 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 those books
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Sanjay N. Shah & Co.**  
**Chartered Accountants**  
**FRN: 124897W**

**Date: 28<sup>th</sup> May, 2013**  
**Place: Mumbai**

**Sd/-**  
**CA. Sanjay Shah, Proprietor**  
**Membership No.116251**

**The Annexure referred to in our Report of even date to the members of Indian Infotech And Software Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2013**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

**1. In respect of its fixed assets**

(a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.

**2. In respect of its Inventories**

As the Company is a service provider, it does not have any inventory.

3. (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.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

**5. In respect of Transaction**

(a) According to the information and explanations provided by the management, we are of the opinion that the particular of contract or arrangement referred to in section 301 of the Companies Act, 1956, that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding rupees five lakhs each have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

7. The company does not have an internal audit system.

8. The Central Govt. of India has not prescribed the maintenance of cost record under section 209(1) (d) of the Act for any of the Services rendered by the company

**9. In respect of statutory dues**

(a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

10. The Company has accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year.

11. The company did not have any outstanding dues to any financial institution, banks or debenture holder during the year

12. 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.

13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. 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.

15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

16. The Company did not have taken any term loans outstanding during the year.

17. The company has not raised any fund on short term basis.

18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under sec.301 of the Act.

19. The company did not have any outstanding debenture during the year.

20. The Company has not raised any money by Public Issue during the year.

21 According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no material fraud on or by the Company has been noticed or reported during the course of our Audit.

**For Sanjay N. Shah & Co.**  
**Chartered Accountants**  
**FRN:124897W**

**Sd/-**

**CA. Sanjay Shah, Proprietor**  
**Membership No.116251**

**Date: 28<sup>th</sup> May, 2013**  
**Place: Mumbai**

**INDIAN INFOTECH AND SOFTWARE LIMITED**
**BALANCE SHEET AS AT 31st March, 2013**

Particulars	Note No.	Figure as at 31st March, 2013		Figure as at 31st March, 2012	
1	2				3
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share Capital	1	1,00,34,41,010		4,32,83,010	
(b) Reserves and Surplus	2	1,45,84,14,797		1,60,37,39,848	
(c) Money received against share warrants		-		-	
			2,46,18,55,807		1,64,70,22,858
<b>(2) Share application money pending allotment</b>					
					-
<b>(3) Non-current liabilities</b>					
(a) Long-term borrowings	3			18,00,000	
(b) Deferred tax liabilities (Net)				-	
					18,00,000
<b>(4) Current liabilities</b>					
(a) Trade payables	4	81,958		26,748	
(b) Other Current liabilities	4	1,14,060		16,21,780	
(c) Short-term provisions	5	9,90,431	11,86,449	1,61,309	
					18,09,837
<b>TOTAL</b>			<b>2,46,30,42,256</b>		<b>1,65,06,32,695</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible assets	6	8,69,838		1,62,627	
(ii) Intangible assets	7	51,60,43,000			
(iii) Capital Work-in-Progress					
(iv) Intangible assets under development			51,69,12,838		1,62,627
(b) Non-current investments	8		1,60,59,67,708		92,708
(c) Deferred tax assets (net)			3,811		51,174
(d) Long-term loans and advances	9		27,11,67,295	25,32,87,099	1,78,80,196
			2,39,40,51,652		1,81,86,705
<b>(2) Current assets</b>					
(a) Current investments	8	5,80,00,000		1,62,47,75,000	
(b) Trade receivables		-		-	
(c) Cash and cash equivalents	10	43,39,256		61,25,790	
(d) Short-term loans and advances	11	11,17,222		1,50,000	
(f) Other current assets	12	55,34,126		13,95,200	
			6,89,90,605		1,63,24,45,990
<b>TOTAL</b>			<b>2,46,30,42,256</b>		<b>1,65,06,32,695</b>

Notes referred above form an integral part of the Financial statements

As per our report attached

**For SANJAY N SHAH & CO.**
**Chartered Accountants**
**Firm Regn. No. : 124897W**
**Chairman**

Sd/-

**Ruchir Mohunta**
**Proprietor**

Membership No. : 116251

Mumbai :

Dated : 28thMAY, 2013

**Director**

Sd/-

Kamal Nayan Sharma

**Director**

Sd/-

Varsha Murarka



**INDIAN INFOTECH AND SOFTWARE LIMITED**
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED : 31st March, 2013**

	Particulars	Note No.	Figures for the year ended 31st March, 2013	Figures for the year ended 31st March, 2012
I.	Revenue from operations	13	83,30,431	6,47,563
II.	Other income	14	11,03,812	36,26,001
III.	<b>Total Revenue (I + II)</b>		<b>94,34,243</b>	<b>42,73,564</b>
IV.	Expenses:			
	Cost of materials consumed		-	-
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefits expense	16	16,89,765	5,02,686
	Finance costs	15	-	4,29,162
	Depreciation and amortization expense	6	1,60,146	45,064
	Other expenses		49,17,898	27,58,235
	<b>Total expenses</b>		<b>67,67,809</b>	<b>37,35,147</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>26,66,434</b>	<b>5,38,417</b>
VI.	Exceptional items		-	-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>26,66,434</b>	<b>5,38,417</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax (VII- VIII)</b>		<b>26,66,434</b>	<b>5,38,417</b>
X				
	Current Tax		8,29,122	1,61,309
	Earlier year		-	2,564
	Deferred Tax		47,363	11,127
			8,76,485	1,75,000
XI	<b>Profit (Loss) for the period from continuing operations (IX-X-XIV)</b>		<b>17,89,949</b>	<b>3,63,417</b>
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>17,89,949</b>	<b>3,63,417</b>
XVI	Earnings per equity share:			
	(1) Basic		0.0018	0.01
	(2) Diluted		0.0018	0.01

Notes referred above form an integral part of the Financial statements

As per our report attached

**For SANJAY N SHAH & CO.**

**Chartered Accountants**

Firm Regn. No. : 124897W

**Chairman**

Sd/-

**Ruchir Mohunta**

**CA Sanjay N Shah**

**PROPRIETOR**

Membership No. : 116251

Mumbai :

Dated : 28thMAY, 2013

**Director**

Sd/-

Kamal Nayan Sharma

**Director**

Sd/-

Varsha Murarka

# INDIAN INFOTECH & SOFTWARE LIMITED

INDIAN INFOTECH AND SOFTWARE LIMITED	
Cash flow statement pursuant to Clause 32 of the Listing Agreement for the year ended 31st March, 2013	
Particulars	Year Ended
	31st March 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit before Taxes and Extra ordinary item	26,66,434
<b>Adjustments</b>	
Depreciation	1,60,146
Preliminary expense w/off	15,69,732
Interest Income	(83,30,431)
<b>Operating Profit before Working Capital Changes</b>	<b>(39,34,119)</b>
Adjustments For	
(Increase) / Decrease in Inventory	
(Increase) / Decrease in Other Current Assets	(41,38,926)
(Increase) / Decrease in Loan & Advances (current & non current)	(25,42,54,321)
Increase / (Decrease) in Trade Payables & other liabilities (current & non current)	(14,52,510)
<b>Total (A)</b>	<b>(26,37,79,876)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Fixed Assets	(51,69,10,357)
Payment of Capital Work In Progress	
Sale of Capital Work In Progress	
Misc Exp w/off	(15,69,732)
Sale of Investments	32,50,00,000
Long Term Capital Gains	
Interest Received	
Purchase of Investment	(36,41,00,000)
<b>Total (B)</b>	<b>(55,75,80,089)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Increase in Long Term borrowing	(18,00,000)
Increase in Short Term borrowing	
Proceeds from Issue of Share Capital	81,30,43,000
Gains/(Loss) in Forex	
Unpaid Calls received	
Interest Received	83,30,431
Interest Paid	
<b>Total (C)</b>	<b>81,95,73,431</b>
NET CHANGE IN CASH AND CASH EQUIVALENT (A+B+C)	(17,86,534)
CASH AND CASH EQUIVALENT AS AT BEGINNING OF YEAR	61,25,790
CASH AND CASH EQUIVALENT AS AT END OF THE YEAR	43,39,256

1. The above cash Flow Statement has been prepared under the "indirect method" as set out in Accounting Standard-3 Cash Flow Statements.
2. Figures in bracket indicate outflows
3. Cash and Cash Equivalent is cash and bank balance as per balance sheet

As per our report attached

For SANJAY N SHAH & CO.  
 CHARTERED ACCOUNTANTS  
 FIRM REGISTRATION NO.: 124897W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Director  
 Sd/-  
 Ruchir Mohunta

CA Sanjay N Shah  
 PROPRIETOR  
 MEMBERSHIP NO.: 116251

Director  
 Sd/-  
 Kamal Nayan Sharma

Mumbai :  
 Dated : 28th May 2013

Director  
 Sd/-  
 Varsha Murarka

**INDIAN INFOTECH AND SOFTWARE LIMITED**  
**NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013**

Particular	Figure as at 31st March, 2013		Figure as at 31st March, 2012	
<b>Note No. 1 : SHARE CAPITAL</b>				
(a) <b>Authorised Share Capital</b>	<b>Nos.</b>	<b>Rs.</b>	<b>Nos.</b>	<b>Rs.</b>
1010000000 Equity Shares of Re.1 each :	10,10,00,000	1,01,00,00,000	5,25,00,000	5,25,00,000
(Previous year 52,500,000 Equity Shares of Re.1/- each)	10,10,00,000	1,01,00,00,000	5,25,00,000	5,25,00,000
(b) <b>Issued Shares</b>				
1003441010 Equity Shares of Re. 1/- each	1,00,34,41,010	1,00,34,41,010	5,00,80,000	5,00,80,000
(Previous Year 50,080,000 Equity Shares of Re.1/- each)	1,00,34,41,010	1,00,34,41,010	5,00,80,000	5,00,80,000
(c) <b>Subscribed Capital</b>				
1003441010 Equity shares of Re. 1 each fully paid	1,00,34,41,010	1,00,34,41,010	4,73,38,000	4,73,38,000
(Previous Year 47338000 Equity Shares of Re.1/- each)				
Less: Forfited Shares	1,00,34,41,010	1,00,34,41,010	4,73,38,000	4,73,38,000
(d) <b>Paid up Capital</b>				
1003441010 Equity shares of Re. 1 each fully paid	1,00,34,41,010	1,00,34,41,010	4,32,83,010	4,32,83,010
(Previous Year 43283010 Equity Shares of Re.1/- each)	1,00,34,41,010	1,00,34,41,010	4,32,83,010	4,32,83,010
(e) <b>Reconciliation of number of shares</b>				
Shares at the beginning of the year	4,32,83,010		43,28,301	
Add : Shares issued during the year	16,50,00,000		-	
Add : Shares issued due to merger	79,51,58,000		-	
Add : New Shares of FV Re. 1 issued due to stock split	-		4,32,83,010	
Less: Old share of FV Rs. 10 cancelled due to stock split	-		43,28,301	
Less : Buy back of shares/Reduction in share capital	-		-	
Less : Forfieted shares	-		-	
Outstanding shares at the year end	1,00,34,41,010		4,32,83,010	
(f) <b>Shares held by each shareholder holding more than 5% of QTY the shares</b>				
DHANVARSHA ADVISORY SERVICES PVT LTD.	10,05,88,000		-	
MANASI COMMODITIES PVT LTD	8,40,00,000		-	
TASMSEEM COMMERCIAL PVT LTD .	8,40,00,000		-	
GENEROSITY SHARE TRADING PVT LTD	5,08,88,780		-	

**Note No. 2 : RESERVES & SURPLUS**

<b>(a) Special Reserve</b>			
Opening Balance	35,000	35,000	35,000
		35,000	
<b>(b) Securities Premium Reserve</b>			
Opening Balance		1,33,73,91,000	
Add : Current Year Transfer		13,20,00,000	
Add : Transfer - Merged Companies			1,33,73,91,000
Less : Written Back in Current Year			
Closing Balance			
		1,46,93,91,000	1,33,73,91,000
<b>(c) Share forfeiture account</b>			
Opening Balance	10,13,748	10,13,748	
Add : Current Year Transfer	-	-	
Less : Written Back in Current Year	-	-	
Closing Balance		10,13,748	10,13,748
		10,13,748	10,13,748
<b>(d) Surplus - Profit &amp; Loss account</b>			
Opening balance	(1,38,14,900)	(1,43,06,202)	
Add : Net Profit/(Net Loss) for the current year	17,89,949	3,63,417	
Merged companies	-	1,27,885	
Add : Transfer from Reserves	-	-	
Less : Proposed Dividends	-	-	
Less : Interim Dividends	-	-	
Less : Transfer to Reserves	-	-	
Less : Bonus Shares	-	-	
Closing Balance		(1,20,24,951)	(1,38,14,900)
<b>(e) Amalgamation Adjustment Account</b>			
(Previous Year Pending for Allotment of shares)		-	27,91,15,000
<b>Total</b>		<b>1,45,84,14,797</b>	<b>1,60,37,39,848</b>

**Note No. 3 : LONG TERM BORROWINGS**
**Secured Loans**

(a) Other loans and advances	-	18,00,000
------------------------------	---	-----------

**Note No. 4 : OTHER CURRENT LIABILITIES**

(a) Trade Payables	81,958	26,748
(b) Others	1,14,060	16,21,780
	<b>1,96,018</b>	<b>16,48,528</b>

**Note No. 5 : SHORT TERM PROVISIONS**
**(a) Others**

Provision for Income Tax	9,90,431	1,61,309
	<b>9,90,431</b>	<b>1,61,309</b>
	<b>9,90,431</b>	<b>1,61,309</b>

**Note No. 9 : LONG TERM LOANS AND ADVANCES**

(Secured or Unsecured, Considered Good or Doubtful)

(a) Capital Advances	-	-
(b) Security Deposits	-	-
(c) Loans and Advances to related parties (give details)	-	-
(d) Other Loans and Advances	27,11,67,295	1,78,80,196
	<u>27,11,67,295</u>	<u>1,78,80,196</u>

**Note No. 10 : CASH AND CASH EQUIVALENTS**

(a) Cash and Cash Equivalent		
(i) Balances with Banks	36,69,618	58,66,941
(ii) Cheques, Drafts on hand	3,548	3,548
(iii) Cash on hand	6,66,091	2,55,301
	<u>43,39,256</u>	<u>61,25,790</u>

**Note No. 11 : SHORT TERM LOAN & ADVANCES**

(a) DEPOSITS	11,17,222	1,50,000
	<u>11,17,222</u>	<u>1,50,000</u>

**Note No. 12 : OTHER CURRENT ASSETS**

(a) Others	55,34,126	13,95,200
	<u>55,34,126</u>	<u>13,95,200</u>

Notes referred above form an integral part of the Financial statements

As per our report attached

**For SANJAY N SHAH & CO.**

**Chartered Accountants**

**Chairman**

Sd/-

**Ruchir Mohunta**

**Proprietor**

Membership No. : 116251

Place: Mumbai

Dated : 28thMAY, 2013

**Director**

Sd/-

Kamal Nayan Sharma

**Director**

Sd/-

Varsha Murarka

**INDIAN INFOTECH AND SOFTWARE LIMITED**
**NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	Particular	Figure as at 31st March, 2013	Figure as at 31st March, 2012
<b>Note no. 13 : REVENUE FROM OPERATIONS</b>			
(a)	Sale of Goods/services		1,50,000
(b)	Interest Income	83,30,431	4,97,563
	<u>Less:</u>	<u>83,30,431</u>	<u>6,47,563</u>
(d)	Excise duty	<u>83,30,431</u>	<u>6,47,563</u>
<b>Note no. 14 : OTHER INCOME</b>			
(a)	Interest Income	-	5,044
(b)	Dividend Income		287
(c)	Commodity Trading Profit	10,15,759	36,20,670
		<u>10,15,759</u>	<u>36,26,001</u>
<b>Note no. 15 : FINANCE COSTS</b>			
(a)	Interest expense		4,29,162
		<u>-</u>	<u>4,29,162</u>
<b>Note no. 16 : ADDITIONAL INFORMATION</b>			
(i)	<b>(a) Employee Benefits Expense</b>		
	Salaries and Wages	14,65,542	4,69,168
	Staff Welfare Expenses	1,99,223	33,518
		<u>16,64,765</u>	<u>5,02,686</u>
	<b>(b) Payments to Auditors as Auditor</b>		
		25,000	55,000
		<u>25,000</u>	<u>55,000</u>
(ii)	<b>Expenditure incurred on</b>		
(a)	Consumption of stores and spare parts		-
(b)	Power and Fuel	60,670	11,770
(c)	Rent	2,40,000	2,18,000
(d)	Miscellaneous Expenses	46,17,228	24,73,465

Notes referred above form an integral part of the Financial statements

As per our report attached

**For SANJAY N SHAH & CO.**  
**Chartered Accountants**

**Chairman**  
Sd/-  
**Ruchir Mohunta**

**Proprietor**  
Membership No. : 116251  
Mumbai :  
Dated : 28thMAY, 2013

**Director**  
Sd/-  
Kamal Nayan Sharma

**Director**  
Sd/-  
Varsha Murarka

**INDIAN INFOTECH AND SOFTWARE LIMITED**

Significant Accounting Policies to Financial statements for the year ended 31 March 2013

**17. Corporate Information**

INDIAN INFOTECH AND SOFTWARE LIMITED (the Company) is a Public Company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company is engaged in providing financial assistance for various business activities and trading & consultancy in Information Technology.

**18. Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act 1956. The Financial statements have been prepared on an accrual basis. The accounting policies adopted in the preparation of financial statements are considered with those of previous year, except for the change in accounting policy explained below.

**19. Summary of significant accounting policies****a. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**b. Tangible fixed assets**

Fixed assets, except land and buildings are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Other expense on existing fixed assets including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period.

**c. Depreciation on tangible fixed assets**

Deprecation on fixed assets is calculated on a WDV method using the rates specified under the Schedule XIV to the Companies Act, 1956 arrived on the basis of the useful lives estimated by the management

**d. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets (goodwill) arising on consolidation or acquisition is not amortized but is tested for impairment.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**e. Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a Substantial period of time to get ready for its Intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**f. Impairment of tangible and intangible assets**

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use i.e. the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognized.

**g. Leases**

**Where the Company is the lessee**

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are classified as finance leases and are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as assets acquired on finance lease. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges on account of finance leases are charged to statement of profit and loss.

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

**h. Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments – Non Current Investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**i. Revenue Recognition**

- (a) Revenue is being recognised as and when there is reasonable certainty of ultimate Realization.
- (b) Dividend income is accounted on cash basis.



(c) Interest income is recognised on a time proportionate basis.

#### j. Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income taxes reflect the impact of timing differences between taxable income and accounting Income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no Longer reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

**Minimum alternate tax (MAT)** paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. i.e the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax* under the *Income-tax Act, 1961*, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

#### k. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**1. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence/ non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize the contingent liability but discloses its existence in the financial statements.

**m. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and fixed deposits with an original maturity of three months or less with banks.

**n. Segment reporting policies**

The Company has only one business segment, i.e. Finance software development / IT enabled services. Accordingly the amounts appearing in the financial statements relate to this primary business segment. Further, the Company renders services in India only, and accordingly the disclosures under secondary segment are not applicable.

**20) Payment to Auditors (inclusive of service tax)**

<b>Particulars</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
<i>As Auditors</i>		
<i>Audit fees</i>	25000	55000
<b>Total</b>	<b>25000</b>	<b>55000</b>

**21) Dues to Micro and Small enterprises**

There are no suppliers who are registered with the Company as micro or small enterprise as defined under "The Micro, Small and Medium Enterprise Development Act, 2006". The information regarding the status of suppliers as micro or small enterprise have been determined on the basis of information available with the Company. This has been relied upon by the auditors.

**22) Companies controlled by director**

	<b>Nature of relationship</b>
RUCHIR MOHUNTA	Key Managerial Personnel
KAMAL NAYAN SHARMA	
DEEPA DALMIA	
VARSHA MURARKA	
SHREE GANESH STAR LAND ADVISORS PRIVATE LIMITED	Associate companies
JAYANTI PRIME SOFTWARE ADVISORY PRIVATE LIMITED	
HARSHA PRIME LAND AND BUILDING ADVISORS PRIVATE LIMITED	
BHAWARAWALI PRIME POWER ADVISORY PRIVATE LIMITED	
HARSHA PRIME HOUSING MANAGEMENT PRIVATE LIMITED	
MANGLA STAR MARKETING PRIVATE LIMITED	
MAHASHAKTI STAR POWER-BUILD CONSULTANTS PRIVATE LIMITED	
GOURI PRIME FINANCE CONSULTANTS PRIVATE LIMITED	
MOONLINK PROPERTIES PRIVATE LIMITED	
MAHASHAKTI STAR MARKETING PRIVATE LIMITED	
BHAWARAWALI STAR BUILD-UP ADVISORS PRIVATE LIMITED	
JEEN MATA PRIME PROPERTIES DEVELOPERS PRIVATE LIMITED	
QUINCE BLOSSOM MULTITRADING PRIVATE LIMITED	
JAHNU MULTITRADING PRIVATE LIMITED	
AMBITION TIE-UP PVT LTD	

EVERGREEN TRAFIN PVT LTD	
MAHAMAYA FINANCIAL CONSULTANTS PRIVATE LIMITED	
DHANVARSHA ADVISORY SERVICES PRIVATE LIMITED	
GENEROSITY SHARE TRADING PRIVATE LIMITED	
ACS INSURANCE BROKING LIMITED	
DEE KARTAVYA FINANCE PRIVATE LIMITED	

**Details of subsidiaries**

NAME OF THE SUBSIDIARIES	COUNTRY OF INCORPORATION	% OF HOLDING
INTENT FASHIONS PRIVATE LIMITED	INDIA	100%
ARIES DESIGNERS PRIVATE LIMITED	INDIA	100%

**Transaction during the year with related parties**

PARTICULARS	SUBSIDIARIES
INVESTMENT IN SUBSIDIARIES – Equity Shares	10200000
SHARE APPLICATION MONEY IN SUBSIDIARIES	900000

**23) Earnings per share**
**Calculation of Earning Per Share :**

		2012-13	2011-12
I	Profit/(Loss)after tax	1789949	363417
Ii	Profit/(Loss) attributable to Ordinary Share-Holders	1789949	363417
Iii	Weighted Avg. no. of Ordinary Shares for Basic / Diluted EPS	1003441010	4328301
Iv	Nominal value of Ordinary Shares	1003441010	4328301
V	Basic / Diluted Earnings per Ordinary Share	0.0018	0.01

**24) Scheme of Arrangement**

(i) A Composite Scheme of Arrangement (“the Scheme”) between Indian Infotech and Software Limited (“IISL”) and Niki Metal Company Limited (“NMCL”) and Lambodar Nirmat Limited (“LNL”) under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of NMCL and LNL with the Company into the Company has been sanctioned by the High Court of Maharashtra at Mumbai on 4th May 2012. The Scheme has become effective from the appointed date 1st April 2011.

(ii) Pursuant to the Scheme, all the assets, liability and reserves of NMCL & LNL have transferred to and vested in the Company as a going concern with effect from the appointed date 1st April 2011.

a. 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.

b. As consideration for the amalgamation, the Company has during the year issued and allotted 32,13,02,000 Equity Shares of Rs 1/- each fully paid up in the ratio of 2 (Two) Equity Share of 1/- each of IISL for every 1 (One) Equity Shares of Rs 1/- each of LNL in the Capital of the Company, and 47,38,56,000 Equity Shares of Rs 1/- each fully paid up in the ratio of 4 (Four) Equity Share of

1/- each of IISL for every 1 (One) Equity Shares of Rs 1/- each of NMCL in the Capital of the Company.

**c.** The difference between the net asset value i.e Book value of Assets minus liabilities (including reserves) of the transferor companies as on the appointed date and equity shares issued to the shareholders of transferor companies on amalgamation by the transferee company of Rs. 51.60 crores has been credited to goodwill account at the time of allotment of shares.

**d.** Since the allotment of shares to the transferor company has been affected during the financial year, the net asset value i.e Book value of Assets minus liabilities (including reserves) of the transferor companies as on the appointed date of Rs. 27,91,15,000 which had been reflected under the head Reserves & Surplus as "Amalgamation Adjustment Account" has become Zero on allotment of shares to the shareholders of the transferor company.

As per our report of even date.

**For INDIAN INFOTECH AND SOFTWARE LIMITED**

**Chairman**  
Sd/-  
**Ruchir Mohunta**

**Director**  
Sd/-  
Kamal Nayan Sharma

**Director**  
Sd/-  
Varsha Murarka

**Place : Mumbai**  
**Date: 30/05/2013**

**For SANJAY N SHAH & CO.**  
**Chartered Accountants**  
**FRN : 124897W**

**CA SANJAY N SHAH**  
**PROPRIETOR**  
**M.No.116251**

**Place: Mumbai**  
**Date : 28/05/2013**

## **Consolidated Independent Auditor's Report**

To the Board of Directors of **INDIAN INFOTECH AND SOFTWARE LIMITED**

### **Report on Consolidated Financial Statement**

We have audited the accompanying consolidated financial statements of **INDIAN INFOTECH AND SOFTWARE LIMITED** ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the consolidated Profit and Loss Account, of the profit/ loss for the year ended on that date; and

c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For Sanjay N. Shah & Co.  
Chartered Accountants  
FRN:124897W**

**Date: 28<sup>th</sup> May, 2013  
Place: Mumbai**

**CA. Sanjay Shah, Proprietor  
Membership No.116251**

**INDIAN INFOTECH AND SOFTWARE LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31st March, 2013**

Particulars	Note No.	Figure as at 31st March, 2013		Figure as at 31st March, 2012	
1	2				3
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share Capital	1	1,00,34,41,010		4,32,83,010	
(b) Reserves and Surplus	2	1,45,93,63,885		1,60,37,39,848	
(c) Money received against share warrants		-		-	
			2,46,28,04,895		1,64,70,22,858
<b>(2) Share application money pending allotment</b>					
<b>(3) Non-current liabilities</b>					
(a) Long-term borrowings	3			18,00,000	
					18,00,000
<b>(4) Current liabilities</b>					
(a) Trade payables	4	4,91,30,685		1,06,748	
(b) Other Current liabilities	4	1,14,060		15,41,780	
(c) Short-term provisions	5	14,17,431		1,61,309	
			5,06,62,176		18,09,837
<b>TOTAL</b>			<b>2,51,34,67,071</b>		<b>1,65,06,32,695</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed Assets					
(i) Tangible assets	6	8,69,838		1,62,627	
(ii) Intangible assets	7	51,60,43,000			
(iii) Capital Work-in-Progress					
(iv) Intangible assets under development			51,69,12,838		1,62,627
(b) Non-current investments	8		1,59,48,67,708		92,708
(c) Deferred tax assets (net)			3,811		51,174
(d) Long-term loans and advances	9		27,36,67,295		1,78,80,196
(e) Other non-current assets			-		
			2,38,54,51,652		1,81,86,705
<b>(2) Current assets</b>					
(a) Current investments	8	5,80,00,000		1,62,47,75,000	
(b) Inventories				-	
(c) Trade receivables	10	5,17,11,180		-	
(d) Cash and cash equivalents	11	1,04,71,611		61,25,790	
(e) Short-term loans and advances	12	21,17,222		1,50,000	
(f) Other current assets	13	57,15,406		13,95,200	
			12,80,15,419		1,63,24,45,990
<b>TOTAL</b>			<b>2,51,34,67,071</b>		<b>1,65,06,32,695</b>

Notes referred above form an integral part of the Financial statements

As per our report attached

**For SANJAY N SHAH & CO.**

**Chartered Accountants**

Firm Regn. No. : 124897W

**Chairman**

Sd/-

**Ruchir Mohunta**

**PROPRIETOR**

Membership No. : 116251

Mumbai :

Dated : 28thMAY, 2013

**Director**

Sd/-

Kamal Nayan Sharma

**Director**

Sd/-

Varsha Murarka

**INDIAN INFOTECH AND SOFTWARE LIMITED**
**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED : 31st March, 2013**

	Particulars	Note No.	Figures for the year ended 31st March, 2013		Figures for the year ended 31st March, 2012
I.	Revenue from operations	14	20,17,55,091		6,47,563
II.	Other income	15	11,03,812		36,26,001
III.	<b>Total Revenue (I + II)</b>		<b>20,28,58,903</b>		<b>42,73,564</b>
IV.	Expenses:				
	Cost of materials consumed		-		-
	Purchases of Stock-in-Trade		18,84,89,100		-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-		-
	Employee benefits expense	17	29,22,365		5,02,686
	Finance costs	16	-		4,29,162
	Depreciation and amortization expense	6	1,60,146		45,064
	Other expenses		72,44,770		27,58,235
	Long term Capital loss				
	<b>Total expenses</b>		<b>19,88,16,381</b>		<b>37,35,147</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>40,42,522</b>	-	<b>5,38,417</b>
VI.	Exceptional items		-		-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>40,42,522</b>		<b>5,38,417</b>
VIII.	Extraordinary Items		-		-
IX.	<b>Profit before tax (VII- VIII)</b>		<b>40,42,522</b>		<b>5,38,417</b>
X			-		
	Current Tax		12,56,122		1,61,309
	Earlier year		-		2,564
	Deferred Tax		47,363		11,127
	<b>Total Tax</b>		<b>13,03,485</b>		<b>1,75,000</b>
XI	<b>Profit (Loss) for the period from continuing operations (IX-X-XIV)</b>		<b>27,39,037</b>		<b>3,63,417</b>
XII	Profit/(loss) from discontinuing operations		-		-
XIII	Tax expense of discontinuing operations		-		-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-		-
XV	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>27,39,037</b>		<b>3,63,417</b>
XVI	Earnings per equity share:				
	(1) Basic		0.003		0.01
	(2) Diluted		0.003		0.01

Notes referred above form an integral part of the Financial statements

As per our report attached

**For SANJAY N SHAH & CO.**

**Chartered Accountants**

Firm Regn. No. : 124897W

**Chairman**

Sd/-

**Ruchir Mohunta**

**CA Sanjay N Shah**

**PROPRIETOR**

Membership No. : 116251

Mumbai

Dated : 28thMAY, 2013

**Director**

Sd/-

Kamal Nayan Sharma

**Director**

Sd/-

Varsha Murarka



# INDIAN INFOTECH & SOFTWARE LIMITED

## INDIAN INFOTECH AND SOFTWARE LIMITED

Consolidated Cash flow statement pursuant to Clause 32 of the Listing Agreement for the year ended 31st March, 2013

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxes and Extra ordinary item	4042522.06	538417.24
<b>Adjustments</b>		
Depreciation	160146	45064
Preliminary expense w/off	1615051.6	428000
Interest Paid		429162
Interest Income	(83,30,431)	(4,97,423)
<b>Operating Profit before Working Capital Changes</b>	<b>(25,12,711)</b>	<b>943220.24</b>
Adjustments For		
(Increase) / Decrease in Inventory		-
(Increase) / Decrease in Other Current Assets	(5,60,31,386)	(13,93,848)
(Increase) / Decrease in Loan & Advances (current & non current)	(25,77,54,321)	(65,38,193)
Increase / (Decrease) in Trade Payables & other liabilities (current & non current)	4,75,96,217	34,26,403
<b>Total (A)</b>	<b>(26,87,02,202)</b>	<b>(35,62,418)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(51,69,10,357)	(1,51,284)
Payment of Capital Work In Progress		
Sale of Capital Work In Progress		
Misc Exp w/off	(16,15,052)	(4,28,000)
Sale of Investments	32,50,00,000	
Long Term Capital Gains		
Interest Received		
Purchase of Investment	(35,30,00,000)	(1,62,47,75,000)
<b>Total (B)</b>	<b>(54,65,25,409)</b>	<b>(1,62,53,54,284)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Long Term borrowing	(18,00,000)	
Increase in Short Term borrowing		
Proceeds from Issue of Share Capital	81,30,43,000	1,61,66,31,323
Gains/(Loss) in Forex		
Unpaid Calls received		-
Interest Received	83,30,431	4,97,423
Interest Paid		(4,29,162)
<b>Total (C)</b>	<b>81,95,73,431</b>	<b>1,61,66,99,584</b>
NET CHANGE IN CASH AND CASH EQUIVALENT (A+B+C)	43,45,820	(1,22,17,117)
CASH AND CASH EQUIVALENT AS AT BEGINNING OF YEAR	61,25,791	1,83,42,908
CASH AND CASH EQUIVALENT AS AT END OF THE YEAR	1,04,71,611	61,25,791

1. The above cash Flow Statement has been prepared under the "indirect method" as set out in Accounting Standard-3 Cash Flow Statements.
2. Figures in bracket indicate outflows
3. Cash and Cash Equivalent is cash and bank balance as per balance sheet

As per our report attached  
For SANJAY N SHAH & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO.: 124897W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CA Sanjay N Shah  
PROPRIETOR  
MEMBERSHIP NO.: 116251

Director  
Sd/-  
Ruchir Mohunta

Director  
Sd/-  
Kamal Nayan Sharma

Mumbai :  
Dated : 28th May 2013

Director  
Sd/-  
Varsha Murarka

**INDIAN INFOTECH AND SOFTWARE LIMITED**
**CONSOLIDATED NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013**

Particular	Figure as at 31st March, 2013		Figure as at 31st March, 2012	
<b>Note No. 1 : SHARE CAPITAL</b>				
(a) <b>Authorised Share Capital</b>	<b>Nos.</b>	<b>Rs.</b>	<b>Nos.</b>	<b>Rs.</b>
1010000000 Equity Shares of Re.1 each :	1,01,00,00,000	1,01,00,00,000	5,25,00,000	5,25,00,000
(Previous year 52,500,000 Equity Shares of Re.1/- each)	<b>1,01,00,00,000</b>	<b>1,01,00,00,000</b>	<b>5,25,00,000</b>	<b>5,25,00,000</b>
(b) <b>Issued Shares</b>				
1003441010 Equity Shares of Re. 1/- each	1,00,34,41,010	1,00,34,41,010	5,00,80,000	5,00,80,000
(Previous Year 50,08,0000 Equity Shares of Re.1/- each)	<b>1,00,34,41,010</b>	<b>1,00,34,41,010</b>	<b>5,00,80,000</b>	<b>5,00,80,000</b>
(c) <b>Subscribed Capital</b>				
1003441010 Equity shares of Re. 1 each fully paid	1,00,34,41,010	1,00,34,41,010	4,73,38,000	4,73,38,000
(Previous Year 47338000 Equity Shares of Re.1/- each)				
Less: Forfited Shares	<b>1,00,34,41,010</b>	<b>1,00,34,41,010</b>	<b>4,73,38,000</b>	<b>4,73,38,000</b>
(d) <b>Paid up Capital</b>				
1003441010 Equity shares of Re. 1 each fully paid	1,00,34,41,010	1,00,34,41,010	4,32,83,010	4,32,83,010
(Previous Year 43283010 Equity Shares of Re.1/- each)	<b>1,00,34,41,010</b>	<b>1,00,34,41,010</b>	<b>4,32,83,010</b>	<b>4,32,83,010</b>
(e) <b>Reconciliation of number of shares</b>				
Shares at the beginning of the year	4,32,83,010		43,28,301	-
Add : Shares issued during the year	16,50,00,000			
Add : Shares issued due to merger	79,51,58,000			
Add : New Shares of FV Re. 1 issued due to stock split			4,32,83,010	-
Less: Old share of FV Rs. 10 cancelled due to stock split			43,28,301	-
Less : Buy back of shares/Reduction in share capital				
Less : Forfited shares				
Outstanding shares at the year end	<b>1,00,34,41,010</b>		<b>43,28,301</b>	
(f) <b>Shares held by each shareholder holding more than 5% of the shares</b>				
DHANVARSHA ADVISORY SERVICES PVT LTD.	10,05,88,000		-	
MANASI COMMODITIES PVT LTD	8,40,00,000		-	
TASMSEEM COMMERCIAL PVT LTD .	8,40,00,000		-	
GENEROSITY SHARE TRADING PVT LTD	5,08,88,780		-	
Jayanti Prime software Advisory pvt Ltd			2,64,05,500	
(g) <b>Following details during the period from 01.04.2008 to 31.03.2013</b>				
(i) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.**			-	
(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares.			-	
(iii) Aggregate number and class of shares bought back.			-	
** 795158000 Shares were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash.				
<b>Note No. 2 : RESERVES &amp; SURPLUS</b>				
(a) <b>Special Reserve</b>				
Opening Balance	35000		35000	
		35,000		35,000
(b) <b>Securities Premium Reserve</b>				
Opening Balance		1,33,73,91,000		
Add : Current Year Transfer		13,20,00,000		
Add : Transfer - Merged Companies				1,33,73,91,000
Closing Balance		<b>1,46,93,91,000</b>		<b>1,33,73,91,000</b>
(c) <b>Share forfeiture account</b>				
Opening Balance	1013748		1013748	
Closing Balance		10,13,748		10,13,748
		<b>1013748</b>		<b>1013748</b>
(d) <b>Surplus - Profit &amp; Loss account</b>				
Opening balance	(1,38,14,900)		(1,43,06,202)	
Add : Net Profit/(Net Loss) for the current year	27,39,037		3,63,417	
Merged companies	-		1,27,885	
Add : Transfer from Reserves	-		-	
Less : Proposed Dividends	-		-	
Less : Interim Dividends	-		-	
Less : Transfer to Reserves	-		-	
Less : Bonus Shares	-		-	
Closing Balance		<b>(1,10,75,863)</b>		<b>(1,38,14,900)</b>

(e) Amalgamation Adjustment Account (Pending for Allotment of shares)	0	27,91,15,000
<b>Total</b>	<b>1459363885</b>	<b>1603739848</b>
<b>Note No. 3 : LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
(a) Other loans and advances		18,00,000
<b>Note No. 4 : OTHER CURRENT LIABILITIES</b>		
(a) Trade Payables	4,91,30,685	1,06,748
(b) Others	1,14,060	15,41,780
	0	
	<b>49244745</b>	<b>1648528</b>
<b>Note No. 5 : SHORT TERM PROVISIONS</b>		
(a) Others		
Income Tax	14,17,431	1,61,309
	14,17,431	1,61,309
	<b>1417431</b>	<b>161309</b>
<b>Note No. 9 : LONG TERM LOANS AND ADVANCES</b> (Secured or Unsecured, Considered Good or Doubtful)		
(a) Other Loans and Advances	27,31,67,295	1,78,80,196
	<b>273167295</b>	<b>17880196</b>
<b>Note No. 10 : TRADE RECEIVABLES</b> (Secured or Unsecured, Considered Good or Doubtful)		
(a) Other Debts :	5,17,11,180	-
	<b>51711180</b>	<b>0</b>
<b>Note No. 11 : CASH AND CASH EQUIVALENTS</b>		
(a) Cash and Cash Equivalent		
(i) Balances with Banks	92,11,037	58,66,941
(ii) Cheques, Dratfs on hand	3,548	3,548
(iii) Cash on hand	12,57,026	2,55,301
	<b>10471611</b>	<b>6125790</b>
<b>Note No. 12 : SHORT TERM LOANS &amp; ADVANCES</b>		
(a) DEPOSITS	21,17,222	1,50,000
	<b>2117222</b>	<b>150000</b>
<b>Note No. 13 : OTHER CURRENT ASSETS</b>		
(a) Others	57,15,406	13,95,200
	<b>5715406</b>	<b>1395200</b>
Notes referred above form an integral part of the Financial statements As per our report attached <b>For SANJAY N SHAH &amp; CO.</b> <b>Chartered Accountants</b> <b>Firm Regn. No. : 124897W</b>		
	<b>Chairman</b> Sd/- <b>Ruchir Mohunta</b>	
<b>PROPRIETOR</b> Membership No. : 116251 Mumbai : Dated : 28thMAY, 2013	<b>Director</b> Sd/- Kamal Nayan Sharma	<b>Director</b> Sd/- Varsha Murarka

**INDIAN INFOTECH AND SOFTWARE LIMITED**

**CONSOLIDATED NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

Particular	Figure as at 31st March, 2013	Figure as at 31st March, 2012
<b>Note no. 14 : REVENUE FROM OPERATIONS</b>		
(a) Sale of goods / services	19,34,24,660	150000
(b) Interest Income	83,30,431	497563
(c) Other operating revenues	-	
Less:	20,17,55,091	6,47,563
(d) Excise duty		
	<b>20,17,55,091</b>	<b>6,47,563</b>
<b>Note no. 15 : OTHER INCOME</b>		
(a) Interest Income	-	5,044
(b) Dividend Income	-	287
(c) Commodity Trading Profit	10,15,759	36,20,670
	<b>10,15,759</b>	<b>36,26,001</b>
<b>Note no. 16 : FINANCE COSTS</b>		
(a) Interest expense	-	4,29,162
	<b>-</b>	<b>4,29,162</b>
<b>Note no. 17 : ADDITIONAL INFORMATION</b>		
(i) (a) <b>Employee Benefits Expense</b>		
Salarie and Wages	24,14,542	4,69,168
Staff Welfare Expenses	4,32,823	33,518
	<b>28,47,365</b>	<b>5,02,686</b>
(b) Payments to Auditors as Auditor	75,000	55,000
	<b>75,000</b>	<b>55,000</b>
(ii) (a) <b>Purchases - Traded goods</b>		
(Broad heads)	18,61,56,003	0
Direct Exp	23,33,097	0
	<b>18,84,89,100</b>	<b>-</b>
(iii) <b>Expenditure incurred on</b>		
(a) Power and Fuel	1,06,370	11,770
(b) Rent	2,40,000	2,18,000
(c) Miscellaneous Expenses	68,98,400	24,73,465
	<b>72,44,770</b>	<b>27,03,235</b>

Notes referred above form an integral part of the Financial statements

As per our report attached  
**For SANJAY N SHAH & CO.**  
**Chartered Accountants**

**Chairman**  
Sd/-  
**Ruchir Mohunta**

**PROPRIETOR**  
Membership No. : 116251  
Mumbai :  
Dated : 28thMAY, 2013

**Director**  
Sd/-  
Kamal Nayan Sharma

**Director**  
Sd/-  
Varsha Murarka

**INDIAN INFOTECH AND SOFTWARE LIMITED**

Significant Accounting Policies to Consolidated Financial statements for the year ended 31 March 2013

**18. Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act 1956. The financial statements are prepared in accordance with the principals and procedures require for the preparation and presentation of consolidated financial statements as laid down under the Accounting standard (AS) 21 CONSOLIDATED FINANCIAL STATEMENTS. The Financial statements have been prepared on an accrual basis. The accounting policies adopted in the preparation of financial statements are considered with those of previous year, except for the change in accounting policy explained below.

**19. Summary of significant accounting Policies****a. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the

management to make judgments estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**c. Tangible fixed assets**

Fixed assets, except land and buildings are stated at cost, net of accumulated depreciation

and accumulated impairment losses, if any. The cost comprises purchase price borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Other expense on existing fixed assets including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period.

**d. Depreciation on tangible fixed assets**

Deprecation on fixed assets is calculated on a WDV method using the rates specified under

the Schedule XIV to the Companies Act, 1956 arrived on the basis of the useful lives estimated by the management

**e. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses if any. Internally generated intangible

assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets (goodwill) arising on consolidation or acquisition is not amortized but is tested for impairment.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **f. Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a Substantial period of time to get ready for its Intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### **g. Impairment of tangible and intangible assets**

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use i.e. the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognized.

#### **h. Leases**

##### **Where the Company is the lessee**

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are classified as finance leases and are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as assets acquired on finance lease. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges on account of finance leases are charged to statement of profit and loss.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

#### **i. Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments – Non Current Investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**j. Revenue Recognition**

- (a) Revenue is being recognized as and when there is reasonable certainty of ultimate Realization.
- (b) Dividend income is accounted on cash basis.
- (c) Interest income is recognized on a time proportionate basis.

**k. Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act,

1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income taxes reflect the impact of timing differences between taxable income and accounting Income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

**Minimum alternate tax (MAT)** paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. i.e the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax* under the *Income-tax Act, 1961*, the said asset is created by



way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

# **1. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

# **m. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

# **n. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence/ non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize the contingent liability but discloses its existence in the financial statements.

# **o. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and fixed deposits with an original maturity of three months or less with banks.

# **p. Segment reporting policies**

The Company has only one business segment, i.e. Finance software development / IT enabled services. Accordingly the amounts appearing in the financial statements relate to this primary business segment. Further, the Company renders services in India only, and accordingly the disclosures under secondary segment are not applicable.

## **20) Payment to Auditors (inclusive of service tax)**

<b>Particulars</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
<i>As Auditors</i>		
<i>Audit fees</i>	75000	55000
<b>Total</b>	<b>75000</b>	<b>55000</b>



**21) Dues to Micro and Small enterprises**

There are no suppliers who are registered with the Company as micro or small enterprise as defined under "The Micro, Small and Medium Enterprise Development Act, 2006". The information regarding the status of suppliers as micro or small enterprise have been determined on the basis of information available with the Company. This has been relied upon by the auditors.

**22) Companies controlled by director**

<b>Name of Related parties</b>	<b>Nature of relationship</b>
RUCHIR MOHUNTA	Key Managerial Personnel
KAMAL NAYAN SHARMA	
DEEPA DALMIA	
VARSHA MURARKA	
SHREE GANESH STAR LAND ADVISORS PRIVATE LIMITED	Associate companies
JAYANTI PRIME SOFTWARE ADVISORY PRIVATE LIMITED	
HARSHA PRIME LAND AND BUILDING ADVISORS PRIVATE LIMITED	
BHAWARAWALI PRIME POWER ADVISORY PRIVATE LIMITED	
HARSHA PRIME HOUSING MANAGEMENT PRIVATE LIMITED	
MANGLA STAR MARKETING PRIVATE LIMITED	
MAHASHAKTI STAR POWER-BUILD CONSULTANTS PRIVATE LIMITED	
GOURI PRIME FINANCE CONSULTANTS PRIVATE LIMITED	
MOONLINK PROPERTIES PRIVATE LIMITED	
MAHASHAKTI STAR MARKETING PRIVATE LIMITED	
BHAWARAWALI STAR BUILD-UP ADVISORS PRIVATE LIMITED	
JEEN MATA PRIME PROPERTIES DEVELOPERS PRIVATE LIMITED	
QUINCE BLOSSOM MULTITRADING PRIVATE LIMITED	
JAHNU MULTITRADING PRIVATE LIMITED	
AMBITION TIE-UP PVT LTD	
EVERGREEN TRAFIN PVT LTD	
MAHAMAYA FINANCIAL CONSULTANTS PRIVATE LIMITED	
DHANVARSHA ADVISORY SERVICES PRIVATE LIMITED	
GENEROSITY SHARE TRADING PRIVATE LIMITED	
ACS INSURANCE BROKING LIMITED	
DEE KARTAVYA FINANCE PRIVATE LIMITED	

**Details of subsidiaries**

<b>NAME OF THE SUBSIDIARIES</b>	<b>COUNTRY OF INCORPORATION</b>	<b>% OF HOLDING</b>
INTENT FASHIONS PRIVATE LIMITED	INDIA	100%
ARIES DESIGNERS PRIVATE LIMITED	INDIA	100%

**23) PRINCIPLES OF CONSOLIDATION**

The Financial statements of INDIAN INFOTECH AND SOFTWARE LIMITED with audited financial statement of its subsidiaries as described in Note no 22 have been considered for the purpose of consolidation.

The financial statements of the parent company and its subsidiary as described in Note no.22 have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The result of subsidiaries acquired or disposal off during the year are included in the consolidated profit & loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate. All significant intra group

balances and transaction have been eliminated on consolidation. The amount shown in respect of reserves comprise the amount of the relevant reserve as per the balance sheet of the parent company and share in the post – acquisition increase in the relevant reserve of the subsidiaries. The consolidation financial statements have been prepared using uniform accounting policies for like transactions and other event in similar circumstances and are presented to the extent Possible, in the same manner as the parent companies financial statements.

The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date.

## 24) Earnings per share

### Calculation of Earning Per Share :

		<b>2012-13</b>	<b>2011-12</b>
I	Profit/(Loss)after tax	2739037	363417
Ii	Profit/(Loss) attributable to Ordinary Share-Holders	2739037	363417
	Weighted Avg. no. of Ordinary Shares for Basic /		
Iii	Diluted EPS	1003441010	4328301
Iv	Nominal value of Ordinary Shares	1003441010	4328301
V	Basic / Diluted Earnings per Ordinary Share	0.0027	0.01

## 25) Scheme of Arrangement

- (i) A Composite Scheme of Arrangement (“the Scheme”) between Indian Infotech and Software Limited (“IISL”) and Niki Metal Company Limited (“NMCL”) and Lambodar Nirmit Limited (“LNL”) under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of NMCL and LNL with the Company into the Company has been sanctioned by the High Court of Maharashtra at Mumbai on 4th May 2012. The Scheme has become effective from the appointed date 1st April 2011.
- (ii) Pursuant to the Scheme, all the assets, liability and reserves of NMCL & LNL have transferred to and vested in the Company as a going concern with effect from the appointed date 1st April 2011.
  - a. 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.
  - b. As consideration for the amalgamation, the Company has during the year issued and allotted 32,13,02,000 Equity Shares of Rs 1/- each fully paid up in the ratio of 2 (Two) Equity Share of 1/- each of IISL for every 1 (One) Equity Shares of Rs 1/- each of LNL in the Capital of the Company, and 47,38,56,000 Equity Shares of Rs 1/- each fully paid up in the ratio of 4 (Four) Equity Share of 1/- each of IISL for every 1 (One) Equity Shares of Rs 1/- each of NMCL in the Capital of the Company.
  - c. The difference between the net asset value i.e. Book value of Assets minus liabilities (including reserves) of the transferor companies as on the appointed date and equity shares issued to the shareholders of transferor companies on amalgamation by the transferee company of Rs. 51.60 crores has been credited to goodwill account at the time of allotment of shares.
  - d. Since the allotment of shares to the transferor company has been affected during the financial year, the net asset value i.e. Book value of Assets minus liabilities (including

reserves) of the transferor companies as on the appointed date of Rs. 27,91,15,000 which had been reflected under the head Reserves & Surplus as "Amalgamation Adjustment Account" has become Zero on allotment of shares to the shareholders of the transferor company.

As per our report of even date.

**For INDIAN INFOTECH AND SOFTWARE LIMITED**

**Chairman**  
Sd/-  
**Ruchir Mohunta**

**Director**  
Sd/-  
Kamal Nayan Sharma

**Director**  
Sd/-  
Varsha Murarka

**For SANJAY N SHAH & CO.**  
**Chartered Accountants**  
**FRN : 124897W**

**CA SANJAY N SHAH**  
**PROPRIETOR**  
**M.No.116251**

**Place: Mumbai**  
**Date: 30/05/2013**

**Place: Mumbai**  
**Date: 28/05/2013**

**Financial Statement of Subsidiary Companies:**

<b>Sr. No.</b>	<b>Name of Subsidiary Company</b>	<b>Total Revenue</b>	<b>Profit before Taxation</b>	<b>Provision for Taxation</b>	<b>Profit After Taxation</b>
1.	ARIES DESIGNERS PRIVATE LIMITED	96715530	699507	217000	482507
2.	INTENT FASHIONS PRIVATE LIMITED	96709130	676581	210000	466581

**1. INDIAN INFOTECH AND SOFTWARE LIMITED**

**D-114, Crystal Plaza, Opposite Infinity Mall, Link Road, Andheri (W), Mumbai – 400053**

**PROXY FORM**

I/We.....of.....  
 .....in the district of ..... Being  
 member/members of above named Company hereby appoint  
 ..... in the district of.....or  
 failing him.....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, 30<sup>th</sup> September, 2013 at 10:30 A.M. and at  
 Classic Comfort Hall (Lilly Hall), Shivaji Nagar, Kanyachipada, Film City Road, Goregoan East,  
 Mumbai – 400 063 any adjournment thereof.

**Affix Rs.  
1  
Revenue  
Stamp**

Signed this.....day of .....2013

Folio No.

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 AND SOFTWARE LIMITED**

**D-114, Crystal Plaza, Opposite Infinity Mall, Link Road, Andheri (W), Mumbai – 400053**

**ATTENDANCE SLIP**

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full name of the shareholder \_\_\_\_\_ 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 Classic  
 Comfort Hall (Lilly Hall), Shivaji Nagar, Kanyachipada, Film City Road, Goregoan East, Mumbai –  
 400 063 on Monday, 30<sup>th</sup> September, 2013 at 10:30 A.M.

Registered Folio No. -----

Share Holders/Proxy's Signature  
 (To be signed at the time of handing over the slip)

No. of Shares held -----