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**As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.**

**BOARD OF DIRECTORS**

Mr. Gautam P. Khandelwal  
*(Chairman)*

Mrs. Suelve Khandelwal  
*(Executive Director)*

Mr. Ajay Kumar Swarup  
Mr. Arnold Allen

**AUDITORS**

M/s. M. V. Ghelani & Co.  
*Chartered Accountants, Mumbai*

**BANKERS**

Bank of Baroda  
The Hongkong and Shanghai Banking Corporation Ltd.

**LISTED AT**

Bombay Stock Exchange Limited

**REGISTERED OFFICE**

Nirmal, 20<sup>th</sup> Floor, Nariman Point,  
Mumbai-400021.  
Tel No. : 022-22023055/66  
Fax No.: 022-22043162  
Email id: itil\_investor@informedfin.com

**SOFTWARE DEVELOPMENT CENTRE**

Millenium Business Park, 302/303  
Bldg. No. 4, Sector No. 3, TTC, MIDC,  
MAHAPE, Navi Mumbai - 400 710.  
Maharashtra, India.

**REGISTRAR & SHARE TRANSFER AGENTS**

**Sharepro Services (India) Private Limited**

13AB, Samhita Warehousing Complex,  
Second Floor, Sakinaka,  
Telephone Exchange Lane,  
Off. Andheri Kurla Road,  
Sakinaka, Andheri (East),  
Mumbai- 400072.  
Tel No.: 022-67720334/37(Direct) 022-37720300/400(Board)  
Email-id: sharepro@shareproservices.com

**As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.  
Shareholders are requested to kindly bring their copies to the meeting.**

**NOTICE**

NOTICE is hereby given that the Fifty-second Annual General Meeting of the Members of Informed Technologies India Limited will be held on Friday, September 17, 2010 at 10.30 A.M at Sunflower II, MVIRDC World Trade Centre, Centre One, 30<sup>th</sup> Floor, Cuffe Parade, Mumbai- 400005 to transact following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To declare dividend on Equity shares.
3. To appoint a Director in place of Mr. Arnold Allen, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint M/s M. V. Ghelani & Co., Chartered Accountants, as Statutory Auditors 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 to fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any of the Companies Act, 1956 consent of the Company is accorded to the Board of Directors of the Company to acquire by way of subscription, purchase or otherwise equity/equity related securities/Mutual Funds/other securities of any body corporate up to a limit not exceeding Rs. 9 Crore notwithstanding that the aggregate of securities so far acquired or to be acquired in all bodies corporate may exceed the limits prescribed under the said section.  
RESOLVED FURTHER THAT the Board of Directors of the Company is authorized to do all acts, deeds and things necessary in this regard."
6. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 314(1) of the Companies Act, 1956, consent of the Company is accorded to appoint Mr. Arnold Allen, Director of the Company to hold an office or a place of profit as Financial and Corporate Advisor w.e.f April 1, 2010 for the sum not exceeding Rs. 2,50,000 p.a.  
FURTHER RESOLVED THAT the Board is authorized to determine the tenure of the service."

**For and on behalf of the Board**

**Gautam Khandelwal  
Chairman**

**Place: Mumbai**

**Date: May 28, 2010**

**NOTES**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.  
Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for holding the meeting
2. Explanatory statement pursuant to Sections 173(2) of the Companies Act, 1956, in respect of the special businesses proposed to be transacted at the Meeting is annexed hereto.
3. Register of Members and Share Transfer Books of the Company will remain closed from September 10, 2010 to September 17, 2010 (both days inclusive).
4. The dividend for Financial Year 2009-10 as recommended by the Board, if approved at the meeting, will be paid to those Members whose names appear in the Company's Register of Members as on book closure dates. In respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose.

5. The Company proposes the payment of dividend, if declared through Electronic Clearing Service (ECS) or incorporation of Bank details on the dividend warrants as furnished by the Members.

Members holding shares in physical mode are advised to immediately submit **ECS Mandate** (attached to this Report) to the Company's Registrar & Transfer Agent, Sharepro Services (India) Private Limited in order to avail Dividend through Electronic Clearing Service (ECS) latest by September 1, 2010. This service not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation/issue of duplicate dividend warrants.

Members holding shares in physical mode and who, for any reason, would not like to avail of the ECS facility being offered to such shareholders as mentioned above, are requested to furnish (if not done earlier) in the **Bank mandate** form (attached to this Report), details of their Bank account no, Name of Bank and branch, which would be printed on the dividend warrants to avoid fraudulent encashment thereof.

6. The Company's equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejibhoy Towers, Dalal Street, Mumbai 400001 and the Company has paid the Annual Listing Fees to the Stock Exchanges for the year 2010-11.
7. Members requiring any information on Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep information ready, replies will be provided only at the meeting.
8. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
9. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form 2B (which will be made available on request) to the Registrar and Transfer Agent, Sharepro Services (India) Private Limited.

**For and on behalf of the Board**

**Gautam Khandelwal  
Chairman**

**Place: Mumbai**

**Date: May 28, 2010**

### **EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

#### **Item No. 5**

The Company is generating surplus funds from its operational and other activities and seeks consent to invest the funds in short term/long term securities. It is proposed that the Board of Directors be authorized to invest upto 9 Crore in any body corporate by way of subscription and/or purchase of equity/equity related/Mutual Funds/ other securities from time to time.

Your Directors recommends the resolutions for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

#### **Item No. 6**

As per the provisions of Section 314 (1) of the Companies Act, 1956 consent of the Company in general meeting is required to appoint Director of a Company to hold any office or place of profit in the Company.

Mr. Arnold Allen was appointed as Director w.e.f 30.10.2006. Mr. Arnold Allen is advising and assisting the management in strategic, financial and corporate matters. Your Directors feel that service of Mr. Arnold Allen will add substantial value to the Company through his contribution to the management of the Company. He will bring in his long experience and expertise for deliberations of the Board and Committees. It is recommended that he be appointed as Financial and Corporate Advisor of the Company w.e.f April 1, 2010.

Your Directors recommends the resolution for your approval. Except Mr. Arnold Allen, no other Director of the company is in any way, concerned or interested in the said resolution.

**For and on behalf of the Board**

**Gautam Khandelwal  
Chairman**

**Place: Mumbai**

**Date: May 28, 2010**

**Directors' Report, Management Discussion and Analysis Report**

To,  
The Members,

Your Directors have pleasure in presenting the Fifty-second Annual Report together with the Audited Statements of Accounts of the Company for the Financial Year ended March 31, 2010.

**Financial Highlights**

The performance of your Company for the year under review is summarized below:

	(Rs. in Lakhs)	
<b>Particulars</b>	<b>2009-10</b>	<b>2008-09</b>
Sales and other Income	485.46	436.80
Profit before Interest, Depreciation and Tax	310.62	273.30
Less: Interest	1.17	0.00
Profit before Depreciation and Tax	309.45	273.30
Less: Depreciation	14.08	13.83
Profit before Tax	295.37	259.47
Less: Provision for Tax	61.88	48.43
Profit after Tax	233.49	211.04
Less: Proposed Dividend (including Dividend Distribution Tax)	48.76	48.76
Add: Balance brought forward from last year	257.40	95.13
Balance transferred to Balance sheet	442.13	257.40

**Dividend**

Directors are pleased to recommend dividend of Rs.1/- per equity share (10%) of the face value of Rs. 10/- for the year ended 31<sup>st</sup> March, 2010. The dividend, subject to approval at the AGM on September 17, 2010 will be paid to the shareholders whose names appear in the Company's Register of Members as on book closure dates.

**Directors**

Mr. Arnod Allen retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends to the Members his appointment as a Director.

**Management Discussion and Analysis**

In terms of Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, the Management Discussion and Analysis of the Company are as follows:

**a) Economy review:**

During the year, world economy remained volatile with the impact of the US and European financial crisis. Business sentiments, while better than before, still remain muted. However, Indian economy has shown resilience and has managed to register growth in GDP at 7.4% for the financial year 2009-10.

**b) Industry Review and future outlook**

BPO sector has a huge business potential in terms of earnings due to the edge India has because of its skilled manpower coupled with low costs and technological base. The need for greater transparency in international financial

markets and emergence and continuing growth of Internet as an immediate channel for dissemination of content will continue to drive business, in which the Company is engaged. The meltdown of US economy and financial market pose a challenge to the competitiveness of the Industry. However, Company is tackling these issues by enhanced stress on improving technology and offering higher value added services, and is confident of building upon its current business. The Company is looking for expansion into International (non USA) data /reports and also in other verticals like digital publishing.

**c) Business Review & Development and Overview of Financial Performance & Operations**

The Company is operating as IT enabled, knowledge based Back Office Processing Centre out of Millennium Business Park in Mahape, Software Technology Park, Navi Mumbai and serves the needs of the financial content sector in the USA. The Company collects and analyses data on financial fundamentals, Corporate Governance, Director/Executive Compensation and capital market. The outsource services consist of financial databases and back office activity for research/advisory reports. The Company has focus on the niche market segment of financial content and has developed repeat business with its customers, which are well known and respected American corporates. The focus helps in developing expertise in the said field and is hopeful of capitalizing the same by striking new business deals in the USA and will help in increasing the performance of the Company. During the year, the total income of the Company is Rs 485.46 Lakhs compared to Rs 436.80 Lakhs in previous year.

**d) Internal Control Systems**

The Company has adequate internal control systems in place. These systems are continuously monitored, periodically reviewed and wherever necessary are modified as per the requirements for exercising effective controls.

The Company has also implemented Quality Management System (QMS) and has got itself registered under ISO 9001:2008 Standard.

**e) Risks, Concerns & Threats:**

The Company has Committee, which meets frequently to take the stock of all the impending and immediate threats to the business and takes necessary steps for positioning of the Company to meet same in time. Any major threats affecting the Company in general and business environment indirectly affecting the functioning of the Company are discussed with the Board from time to time.

**Subsidiary company and Consolidated Statement**

The financial statements of Informed Financials USA, Inc, wholly owned subsidiary forms part of this Annual Report. Further, a statement pursuant to section 212(3) of the Companies Act, stating financial details about subsidiary is also annexed to this report. In accordance with Accounting Standard 21 – notified by Companies (Accounting Standards) Rules, 2006, the audited consolidated financial statements of the Company and its subsidiaries is annexed to this report. Further, in order to reduce overseas operating costs and for other commercial reasons, the company has applied for dissolution of subsidiary with the respective authorities in USA. During the year, it expects to complete legal formalities.

**Auditors**

M/s. M. V. Ghelani & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company retires at the ensuing Annual General Meeting and, is eligible for re-appointment. The Company has received Certificate u/s 224(1B) of the Companies Act, 1956, expressing willingness to be reappointed as Statutory Auditors for the Financial Year 2010-11. The observations made in the Auditor's Report are self-explanatory and do not call for any further comments.

**Employees**

Relations between the employees and the management remained cordial during the year under review. The Company has no employees of the specified categories under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended upto date.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo**

In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure

of Particulars in the Report of Board of Directors) Rules, 1988, your Directors furnish the required details below:

- A. Conservation of Energy: Not Applicable
- B. Technology Absorption:
  - a. Research and Development (R & D): The Company has not undertaken any R&D activity in the current year.
  - b. Technology Absorption, Adaptation and Innovation: The Company has not imported any technology during the year.
- C. Foreign Exchange earnings and outgo: During the year under review, the foreign Exchange outgo was Rs 22.37 Lakhs (Previous year – Rs 30.35 Lakhs). The Foreign exchange earning was Rs. 213.56 Lakhs (Previous year –Rs 217.43 Lakhs).

**Directors' Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of your Company confirms that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made 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 ended 31<sup>st</sup> March, 2010 and of the profit of the Company for that year;
- iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability, 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;
- iv) the annual accounts have been prepared on a going concern basis.

**Corporate Governance**

Pursuant to Clause 49 of the Listing Agreement, a detailed report on Corporate Governance along with the Certificate of Statutory Auditors on the Compliance is given as an Annexure to this Report.

**Compliance Certificate**

Pursuant to the provisions of Section 383A of Companies Act, 1956, the Company has obtained Certificate from Mr. Ritesh Kamdar, Practicing Company Secretary that the Company has complied with the provisions of the Companies Act, 1956 and the certificate is attached to this report.

**Acknowledgements**

Your Board of Directors wish to place on record their appreciation for the whole-hearted co-operation received by the Company from the Shareholders, various Government departments, Company's Bankers and all the employees during the year under review.

**For and on behalf of the Board**

**Gautam P. Khandelwal**  
Chairman

**Place : Mumbai**

**Date : May 28, 2010**

**COMPLIANCE CERTIFICATE**

(Pursuant to Section 383A (1) of the Companies Act, 1956)

Name of the Company	:	<b>INFORMED TECHNOLOGIES INDIA LIMITED</b>
Registration No	:	L99999MH1958PLC011001
Nominal Capital	:	Rs. 75,000,000/-
Paid up Capital	:	Rs. 41,691,000/- as on 31.03.2010

To  
The Members

**INFORMED TECHNOLOGIES INDIA LIMITED**

'NIRMAL', 20<sup>th</sup> floor  
Nariman Point, Mumbai- 400 021

I have examined the registers, records, books and papers of **INFORMED TECHNOLOGIES INDIA LIMITED** (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there-under and also the provisions contained in the Memorandum and Articles of Association of the company for financial year ended on **31<sup>st</sup> March, 2010**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial period:

- 1 The Company has kept and maintained all registers as stated in "**Annexure - A**" to this certificate, as per the provisions and the rules made there-under and all entries therein have been duly recorded.
- 2 The Company has duly / belated filed the forms and returns as stated in "**Annexure – B**" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other Authorities within the time prescribed under the Act and the rules made there under, except documents mentioned therein.
- 3 The Company is a public limited company and has the minimum prescribed paid –up capital.
- 4 The **Board of Directors** duly met **6 times** on 28.04.2009, 30.06.2009, 30.07.2009, 29.10.2009, 07.12.2009 and 29.01.2010 in respect of which proper notices were given and the proceedings were properly recorded and signed.  
The **Share Transfer and Investor Grievance Committee** duly met **10 times** on 17.07.2009, 02.09.2009, 25.09.2009, 02.11.2009, 02.12.2009, 17.12.2009 02.01.2010, 18.01.2010, 02.02.2010 and 17.03.2010 in respect of which proper notices were given and the proceedings were properly recorded and signed  
The **Remuneration Committee** duly met **once** in the year on 28.04.2009 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed.  
The **Audit Committee** duly met **6 times** on 28.04.2009, 30.06.2009, 30.07.2009, 29.10.2009, 07.12.2009 and 29.01.2010 in respect of which proper notices were given and the proceedings were properly recorded and signed.
- 5 The Company has closed its Register of Members during the financial year under review from September 17, 2009 to September 25, 2009.
- 6 The **Annual General Meeting** for the financial year ended on 31<sup>st</sup> March 2009 was held on **25<sup>th</sup> September, 2009** after giving due notice to the members of the company and the resolution passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7 No Extra Ordinary meeting was held during the financial year under review.
- 8 The Company has not advanced any loans to its directors during the year under view.
- 9 During the year the company has not entered into any contracts within the meaning of section 297 of the Act.
- 10 The company has made necessary entries in the register maintained under section 301 of the Act.
- 11 As there were no instances falling within the purview of section 314 of the companies Act, the company has not obtain any approvals from the Board of Directors, Members or Central Government, as the case may be.
- 12 The Company has issued duplicate share certificates during the financial year in compliance with the provisions of the Act.
- 13 The company:
  - a. has delivered the certificates in respect of transfer and transmission of shares during the year. There was no fresh allotment of shares during the year.
  - b. has deposited the amount in a separate bank account within the prescribed time as and when the dividend was declared.
  - c. has paid dividend and posted dividend warrants as and when required when the dividend was declared.
  - d. did not have any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and were required to transfer to Investor Educational and Protection Fund.
  - e. has duly complied with the requirements of section 217 of the Act.
- 14 The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year under review.
- 15 The provisions of section 269 of the Act with regard to appointment of Managing Director / Whole-time Director / Manager are not applicable as its paid-up capital is less than 5 crores as prescribed by the Act.
- 16 The Company has not appointed any sole-selling agents during the financial year.
- 17 The Company was not required to obtain any approvals of the Central Government, Company Law Board Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the act, during the year under review.
- 18 The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.



- 19 The Company has not issued any shares / debentures / other securities during the financial year.
- 20 The Company has not bought back any shares during the financial year.
- 21 The Company has not issued any redeemable preference shares/debentures during the financial year and there is no redemption of preference shares.
- 22 There were no transaction necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23 The Company has not accepted deposits within the meaning of section 58A of the Companies Act, 1956 during the financial year.
- 24 The Company has not availed any loans in terms of section 293(1) (d) of the Act.
- 25 The Company has made inter-corporate investments, in compliance with the provisions of section 372A of the Act and made necessary entries in the register kept for the purpose, and the company has not made loans or given guarantees or provided securities to other bodies corporate.
- 26 The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state of another during the year under scrutiny.
- 27 The Company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
- 28 The Company has not altered the provisions of the Memorandum with respect to name of the company during the financial year under scrutiny.
- 29 The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the financial year under scrutiny.
- 30 The Company has not altered its Articles of Association during the financial year.
- 31 There were no prosecution(s) initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial period, for offences under the Act.
- 32 The Company has not received any money as security from its employees during the financial year as per provisions of section 417(1) of the Act.
- 33 The Company was generally regular to deposit both employers and employees contribution towards Provident Fund as required under section 417 of the Act during the financial year.

Place: Mumbai  
Dated: May 28, 2010

**Ritesh Kamdar**  
Sd/-  
**Practicing Company Secretary**  
C.P. No. 8371  
A.C.S. No. 20154

**ANNEXURE-'A'**

Statutory Registers & Records as maintained by the Company:

Sr. No.	PARTICULARS	UNDER SECTION
01.	Register of Members and Index	150 & 151
02.	Register of Transfer of Shares	-
03.	Register of Directors, Managing Director, Manager and Company Secretary	303
04.	Register of Director's Shareholding	307
05.	Minutes Book for minutes of meetings of Board of Directors	193
06.	Minutes Book for minutes of meetings of Members	193
07.	Register of Particulars of Contracts in which Directors are interested	301

**ANNEXURE-'B'**

Forms and Returns as filed by the Company with Register of Companies, Regional Director, Central Government or other Authorities during the financial period ending March 31, 2010:

Sr. No.	Form No/ Return	Filed Under Section	Particulars	Date of Filing	Whether filed within prescribed time YES/NO	If delay in filing whether requisite additional fees paid YES/NO
01.	Annual Return	159	Annual Return made up-to 25.09.2009	20.03.2010	NO	YES
02.	Balance Sheet	220	Balance sheet for the year ended on 31.03.2009	06.11.2009	NO	YES
03.	Form 66	383A	Compliance Certificate for the year ended on 31.03.2009	20.10.2009	YES	N.A
04.	Form 23	163 & 372A	Special Resolution passed on 25.09.2009 for 1. Change in address of RTA & 2. Authority to Board to acquire securities in other body corporate	21.10.2009	YES	N.A

**Report on Corporate Governance**

**1. Company's philosophy on the Corporate Governance:**

Informed Technologies India Limited believes in adopting the best practices in the area of Corporate Governance and follows the principles of fair representation, full disclosure, accountability and responsibility in all its dealings and communications with the ultimate objective of realizing and enhancing shareholder's values and protecting the rights and interests of all its stakeholders.

**2. Board of Directors:**

**a) Composition**

The Board consists of Four (4) Directors of these Two (2) Directors are independent Directors. The Chairman of the Board is Non-Executive Director.

**b) Meetings of the Board**

The meetings of the Board of Directors are held atleast once in quarter, scheduled well in advance and generally held at the Company's registered office in Mumbai. During the Financial Year 2009-10, Six (6) Board meetings were held. The Board meetings were held on April 28, 2009, June 30, 2009, July 30, 2009, October 29, 2009, December 7, 2009 and January 29, 2010.

Attendance of each Director at the Board Meeting and the last Annual General Meeting:

Sr. No.	Name of Directors	Attendance details	
		Board Meeting	Last A.G.M
1.	Mr. Gautam P. Khandelwal	6	Yes
2.	Mrs. Suelve Khandelwal	6	Yes
3.	Mr. Ajay Kumar Swarup	6	No
4.	Mr. Arnold Allen	5	No

**c) Directorship of Directors in other Companies**

The details of the Directors with regard to their outside Directorships, committee positions are as follows:

Name of Director	Executive / Non-Executive / Independent <sup>1</sup>	No. of outside Directorship Held		Outside Committee Positions Held <sup>2</sup>	
		Public	Private	Chairman	Member
Mr. Gautam P. Khandelwal	Non- Executive	Three	Five	Nil	Nil
Mrs. Suelve Khandelwal	Executive	Nil	Three	Nil	Nil
Mr. Ajay Kumar Swarup	Independent	Three	One	Nil	Nil
Mr. Arnold Allen	Independent	One	Nil	Nil	Two

1. Independent Director means a Director defined as such under Clause 49 of the Listing Agreement.
2. Only two Committees viz. the Audit Committee and the Shareholders / Investor Grievance Committees are considered.

**d) Detail of Directors being appointed and re-appointed**

The details of the Director retiring by rotation as required under Clause 49 of the Listing Agreement is as follows:

Mr. Arnold Allen is a qualified English Chartered Accountant. He was partner in Shipley Blackburn, Chartered Accountant, U.K (the firm which has now become Shipleys LLP). His guidance and expertise of international business is beneficial to the Company.

**e) Code of Conduct:**

The Company has laid down code of conduct applicable to all Board Members and Senior Executives of the Company. All Board members and Senior Executives have confirmed compliance of the code of conduct. The Executive Director of the Company has given the certificate annexed to this report as per the requirement of Clause 49 of the Listing Agreement.

**3. Audit Committee:**

The Audit Committee comprise of Mr. Ajay Kumar Swarup-Chairman, Mr. Arnold Allen-Member, Mr. Gautam Khandelwal-

Member. The members of the Committee have the relevant experience in the field of finance, banking and accounting. Statutory Auditors of the Company is invitee to the Audit Committee Meeting.

**Terms of reference**

- All the matters specified under section 292A of the Companies Act, 1956.
- Matters listed under the listing agreement with stock exchange.
- Financial reporting process and disclosure of financial information.
- Reviewing any change in accounting policies and practices.
- Compliance with accounting standards and reviewing the adequacy of internal control system.
- Reviewing the reports of the internal and statutory auditors and ensuring that adequate follow up and action is taken by the management.

The Committee met six times during the year under review. The said meetings were held on April 28, 2009, June 30, 2009, July 30, 2009, October 29, 2009, December 7, 2009 and January 29, 2010.

Name of Director	No. of Meetings	
	Held	Attended
Mr. Ajay Kumar Swarup	6	6
Mr. Arnold Allen	6	6
Mr. Gautam Khandelwal	6	6

**4. Remuneration Committee**

The Committee comprise of Mr. Gautam Khandelwal, Mr. Ajay Kumar Swarup and Mr. Arnold Allen to determine Remuneration policy for Executive Director of the Company. Mr. Gautam Khandelwal heads the committee. During the year under review, the Remuneration Committee met on April 28, 2009.

Monthly remuneration is paid to Executive Director while other directors are eligible only for sitting fees. Mr. Gautam Khandelwal, Mr. Ajay Kumar Swarup and Mr. Arnold Allen have waived sitting fees.

Details of remuneration paid to Directors for the year:

Name of the Director	Salary & Perquisites (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)
Mrs. Suelve Khandelwal	12,00,000	NIL	NIL

**5. Share Transfer and Investor Grievances Committee**

The Committee comprise of Mr. Gautam Khandelwal and Mrs. Suelve Khandelwal. Mr. Gautam Khandelwal heads the committee. During the year, the Committee met from time to time to approve transfers, transmission of shares, issue of duplicate/rematerialized shares and consolidated and splitting of share certificates, to review shareholders correspondence including complaints received from shareholders and its redressal.

**6. General Body Meetings:**

Details of the last three Annual General Meetings held is given below:

Financial Year	Date, Time and Venue	Special Resolutions passed
2006-2007	September 28, 2007 at 11.00 A.M Seminar II, World Trade Centre, Centre One, 31st Floor, Cuffe Parade, Mumbai-400005.	No Special Resolution was passed.
2007-2008	September 25, 2008 at 10.00 A.M Sunflower II, World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai-400005.	2 special Resolution were passed unanimously by show of hands
2008-2009	September 25, 2009 at 10.00 A.M Sunflower II, World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai-400005.	2 special Resolution were passed unanimously by show of hands

Further, during the financial year 2009-10, no special resolution was passed through postal ballot. No special resolution requiring a Postal Ballot is being proposed at the ensuing AGM.

**7. Disclosures**

- The disclosures with regard to transactions with related parties are given in Schedule 17, the Notes to Accounts under Note (iii) of the audited financial statements for the year ended March 31, 2010. The Audit Committee has reviewed these transactions as mandatory required under Clause 49 of the Listing Agreement.
- There were no instances of non-compliance, penalties, strictures imposed on the Company by Stock Exchange, SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- The Company does not have Whistle Blower Policy, but however no person is denied access to Audit Committee.
- The Company has complied with mandatory requirement.
- The Company has complied with Non-Mandatory requirement of setting up Remuneration Committee to determine the remuneration payable to an Executive Director.

**8. Means of communication**

- The quarterly un-audited results were published in Free Press Journal and Navshakti, in accordance with the requirement of the Listing Agreement.
- Annual audited financial results were published Free Press Journal and Navshakti. These are not sent individually to the shareholders. No presentations were made to institutional investors or to the analysts.

**9. (a) General Shareholders Information**

**(a) Annual General Meeting:**

Date	:	September 17, 2010
Time	:	10.30 A. M
Venue	:	Sunflower II, MVIRDC World Trade Centre, Centre One, 30 <sup>th</sup> Floor, Cuffe Parade, Mumbai- 400005

**(b) Financial Calendar (April 1, 2010 to March 31, 2011):**

First quarter results	:	End July, 2010
Second quarter results	:	End October, 2010
Third quarter results	:	End January, 2011
Fourth quarter and Annual results	:	End May 2011
Annual General Meeting	:	September 2011

**(c) Date of Book closure:**

September 10, 2010 to September 17, 2010 (both days inclusive)

**(d) Listing details :**

Stock Exchange	:	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400023.
Scrip code	:	504810
ISIN Number	:	INE123E01014 – NSDL & CDSL

**(e) Market Price Data:**

High/Low price and volume of the Company's shares at BSE during each month in Financial Year 2009-10 is as follows:

Month	High (Rs.)	Low (Rs.)	Volume (shares)
April-2009	6.42	5.83	1925
May-2009	12.63	6.74	5478
June-2009	16.80	13.17	4933
July-2009	19.20	13.85	6020
August-2009	22.15	19.00	1326
September-2009	29.35	19.70	2902
October-2009	27.20	27.00	130
November-2009	25.85	22.20	2361
December-2009	27.00	21.00	4802
January-2010	31.60	24.00	2752
February-2010	30.90	23.25	2184
March-2010	24.20	18.10	7644

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

**Sharepro Services (India) Pvt. Ltd.**

13AB, Samhita Warehousing Complex, and  
Second Floor, Sakinaka,  
Telephone Exchange Lane,  
Off. Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai- 400072.  
Tel No.: 022-67720334/37(Direct) 022-37720300/400(Board)  
Email-id: sharepro@shareproservices.com

912, Raheja Centre,  
Free Press Journal Road,  
Nariman Point,  
Mumbai-400021.

**(g) Share Transfer System:**

Share transfer in physical form are registered and returned within a period of 7 to 15 days from the date of receipt in case documents are complete in all respects. The share transfer committee meets every fortnight.

**(h) Distribution of Shareholding as on March 31, 2010 is as under:**

No. of shares	No. of Shareholders	%	No. of Shares	%
Upto 500	3378	95.42	372855	8.94
501-1000	95	2.68	68981	1.65
1001-2000	32	0.90	43367	1.04
2001-3000	9	0.25	20352	0.49
3001-4000	6	0.17	20363	0.49
4001-5000	3	0.08	13130	0.31
5001-10000	4	0.11	26983	0.65
10001 and above	13	0.37	3603069	86.42
TOTAL	3540	100	4169100	100.00

**(i) Shareholding Pattern as on March 31, 2010**

Sr. No.	Category	No. of Shares held	% of Shareholding
1	Indian Promoters	504061	12.09
2	Foreign Promoters	2678220	64.24
3	Mutual Funds/UTI	60	0.00
4	Financial Institutions/Banks	1090	0.03
5	Insurance Companies	386010	9.26
6	Private Bodies Corporate	40876	0.98
7	Indian Pubic	555577	13.33
8	NRI/OCBs	3206	0.08
	TOTAL	4169100	100.00

**(j) Dematerialization of shares as on March 31, 2010**

Particulars	No. of shares	% to Capital
Dematted		
National Securities Depository Limited	3694745	88.62
Central Depository Securities Limited	39665	0.95
Physical	434690	10.43
Total	4169100	100

**(k) Outstanding GDR's/ADR's/Warrents or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs and there are no warrants or any Convertible instruments.

**(l) Software Development Centre:**

The Business Processing Outsourcing operations are carried out from Millennium Business park, Unit No. 302 & 303, Building No. 4, Sector 3, TTC, MIDC, Mahape, Navi Mumbai.

**(m) Name and Designation of Compliance Officer:**

Mr. Gautam Khandelwal

**(n) Address for correspondence:**

The Compliance Officer  
The Informed Technologies India Limited  
Nirmal, 20<sup>th</sup> Floor, Nariman Point, Mumbai-400021  
Tel No. : 022-22023055/66  
Fax No.: 022-22043162  
Email id: itil\_investor@informedfin.com

**(o) Auditors Certificate on Corporate governance:**

The Auditors Certificate on Compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is given as an annexure to this report.

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**Declaration**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and Senior Management Personnel have confirmed with the Code of Conduct and Ethics in respect of Financial Year 2009-10.

For Informed Technologies India Limited

Date: May 28, 2010  
Place: Mumbai

Suelve Khandelwal  
Executive Director

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**Annexure****Auditors' Certificate regarding compliance of the conditions of Corporate Governance**

**To,  
The Members of  
Informed Technologies India Limited**

We have examined the compliance of conditions of Corporate Governance by Informed Technologies India Limited, for the year ended 31<sup>st</sup> March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, (hereinafter referred to as clause 49).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that while the Shareholders/Investor Grievance Committee has not maintained records to show the investor grievances pending for a period of one month against the Company, the Registrar of the Company have certified that as at 31<sup>st</sup> March, 2010 there were no investor grievances remaining unattended/pending for more than 30 days.

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

**For M.V.Ghelani & Co.**  
Chartered Accountants

**M.V.Ghelani**  
Proprietor

Date: May 28, 2010  
Place: Mumbai

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**AUDITORS REPORT**

TO THE MEMBERS OF

**INFORMED TECHNOLOGIES INDIA LIMITED**

1. We have audited the attached Balance Sheet of INFORMED TECHNOLOGIES INDIA LIMITED as at 31<sup>st</sup> March, 2010 and the Profit and Loss account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government vide notification No G.S.R. 480(E) dated June 12, 2003 in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the Directors of the Company, as on 31<sup>st</sup> March, 2010, and taken on record by the Board of Directors, we report that none of the directors of the Company is, prima facie, disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the significant Accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010
    - (b) in the case of the Profit and Loss account, of the profit for the year ended on that date;
    - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date

For **M.V. GHELANI & CO.**  
**CHARTERED ACCOUNTANTS**

Place : **Mumbai**  
Dated : **28<sup>th</sup> May 2010**

**(M. V. GHELANI)**  
**PROPRIETOR**

**ANNEXURE TO THE AUDITORS' REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

Annexure referred to in paragraph 3 of our report of even date to the members of Informed Technologies India Limited on the accounts for the year ended 31<sup>st</sup> March, 2010

1.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, during the year the Company has carried out physical verification of fixed assets as well as appraised the working condition and the possibility of obsolescence of each item of fixed assets and the discrepancies noticed have been dealt with by writing off the assets not in existence/ retired from active use aggregating net book value Rs. 9,18,428/- which has been shown as fixed assets written off. The Gross Block of these assets of Rs. 66,74,485/- and Accumulated Depreciation Rs. 57,56,057/- has been shown as deduction.
  - (c) During the year, the Company has not disposed off any asset.
2. The nature of the company's operations during the year does not require it to hold inventories and as such paragraph 4 (ii) of the Companies (Auditors Report) Order, 2003 ('the Order') is not applicable.
3. In respect of loans, either granted or taken by the Company, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
  - (a) In respect of an unsecured loan (including advances) granted in the earlier years to one company covered in the register maintained under Section 301 of the Companies Act, 1956:
    - (i) The maximum amount outstanding during the year was Rs. 74,55,954 and the year end balance was Rs. 74,55,954.
    - (ii) *The terms and condition of the said loan (including advance) seems, prima facie, prejudicial to the interest of the*

*company as the company has granted the same interest free and there are no covenants with regard to its repayment.*

- (iii) Since there are no covenants with regard to the repayment and interest, we are not in a position to comment on the regularity or otherwise of payment of the principal amount and interest.
  - (iv) In the opinion of the management this loan is considered doubtful of recovery and hence the company has made a provision for doubtful debts in an earlier year in respect of the loan.
  - (b) The Company has not taken loans from companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, requirements of para (iii) (b), (c) and (d) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of services. There are no purchases of inventory. During the course of our audit, we have not observed any continuing failure to correct any major weakness in internal controls.
  5. (a) According to the information and explanations provided by the management to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956, have been so entered.  
(b) In our opinion and according to the information and explanations given to us, loan transactions made in pursuance of any contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
  6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the sections 58A and 58AA of the companies Act, 1956 and the rules framed thereunder.
  7. *The Company does not have any Internal Audit System commensurate with size of the Company and nature of its business.*
  8. According to the information and explanations given to us, the maintenance of cost records was not prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for any of the activities of the Company.
  9. According to the records of the Company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Provident Fund Wealth Tax, Cess and other material statutory dues applicable to it. The Company has received intimation from Employees' State Insurance Corporation, Sub Regional office, Thane that ESI Act is applicable to the Company and the undisputed liability has been provided for in the accounts.
  10. The Company does not have any accumulated losses at the end of the financial Year. The Company has not incurred any cash loss during the current year or during the immediately preceding financial year.
  11. According to the information and explanations given to us and based on the records made available to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holder during the year.
  12. According to the information and explanations given to us and based on the records made available to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities
  13. According to the information and explanations given to us and based on the records made available to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
  14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
  15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
  16. According to the information and explanations given to us and the records made available to us, the Company has not obtained any term loans during the period covered by our audit report.
  17. According to the information and explanations given to us and the records made available to us, the Company has not raised any funds either on short-term or long-term basis during the period covered by our audit report
  18. According to the information and explanations given to us and the records made available to us, the Company has not issued any debentures during the period covered by our audit report.
  19. According to the information and explanations given to us and the records made available to us, the Company has not raised any money by public issue during the period covered by our audit report.
  20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by Company has been noticed or reported during the course of our audit.

For **M.V. GHELANI & CO.**  
**CHARTERED ACCOUNTANTS**

Place : Mumbai  
Dated : 28<sup>th</sup> May 2010

**(M. V. GHELANI)**  
**PROPRIETOR**



**BALANCE SHEET AS AT 31ST MARCH, 2010**

Schedule	As at 31st March, 2010		As at 31st March, 2009	
		Rupees	Rupees	Rupees
<b>I. SOURCES OF FUNDS</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	41,691,000		41,691,000
Reserves & Surplus	2	44,210,634	85,901,634	25,739,415
<b>Secured Loans</b>	3		<b>1,078,554</b>	-
<b>Total</b>			<b>86,980,188</b>	<b>67,430,415</b>
<b>II. APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>	4			
Gross Block		41,459,109		46,080,710
Less : Depreciation		<u>8,929,139</u>		<u>13,277,319</u>
Net Block			<b>32,529,970</b>	32,803,391
<b>Investments</b>	5		<b>61,264,076</b>	40,119,003
<b>Current Assets, Loans and Advances</b>				
Sundry Debtors	6	2,016,430		2,646,936
Cash and Bank Balances	7	1,716,884		1,741,183
Other Current Assets, Loans and Advances	8	<u>19,306,017</u>		<u>13,037,080</u>
		<b>23,039,331</b>		<u>17,425,199</u>
<b>Less : Current Liabilities and Provisions</b>				
Liabilities	9	9,751,351		9,154,027
Provisions	10	<u>20,101,838</u>		<u>13,763,151</u>
		<b>29,853,189</b>		<u>22,917,178</u>
<b>Net Current Assets</b>			<b>(6,813,858)</b>	(5,491,979)
<b>Total</b>			<b>86,980,188</b>	<b>67,430,415</b>

Significant Accounting Policies and  
Notes to Accounts

17

The Schedules and Notes to account referred to above form an integral part of the Balance Sheet.  
This is the Balance Sheet referred to in our report of even date.

As per our report of even date annexed

For **M.V. Ghelani & Co.**  
Chartered Accountants

**M. V. Ghelani**  
Proprietor

Mumbai, 28th May, 2010

For and on behalf of the board

**Gautam P. Khandelwal**  
Chairman

**Smt. Suelve G. Khandelwal**  
Director

Mumbai, 28th May, 2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedule	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
<b>I. INCOME</b>			
Sales and Services	11	21,356,457	21,742,622
Other Income	12	27,190,368	21,937,987
<b>TOTAL INCOME</b>	<b>A</b>	<b>48,546,825</b>	<b>43,680,609</b>
<b>II. EXPENDITURE</b>			
Payments to and provision for employees	13	6,432,264	5,926,786
Operating expenses	14	4,015,229	4,963,184
Administrative and other expenses	15	7,037,110	5,460,439
<b>TOTAL EXPENDITURE</b>	<b>B</b>	<b>17,484,603</b>	<b>16,350,409</b>
<b>Profit Before interest and depreciation</b>	<b>A-B</b>	<b>31,062,222</b>	<b>27,330,200</b>
Interest	16	117,321	-
Depreciation		1,407,877	1,383,163
<b>Profit/ (Loss) before taxation</b>		<b>29,537,024</b>	<b>25,947,037</b>
<b>Payment and Provision for Taxation</b>			
- Current Tax		6,000,000	4,817,000
- Fringe Benefit Tax		-	26,000
-Prior period tax		188,166	-
<b>Profit after taxation</b>		<b>23,348,858</b>	<b>21,104,037</b>
<b>Add: Profit brought forward from previous year</b>		<b>25,739,415</b>	<b>9,513,017</b>
<b>Less: Appropriations</b>			
Proposed Dividend		4,169,100	4,169,100
Dividend distribution tax		708,539	708,539
<b>Balance of Profit &amp; Loss A/c carried to Balance Sheet</b>		<b>44,210,634</b>	<b>25,739,415</b>
Earning Per Share (Basic & Diluted)		5.600	5.062
Significant Accounting Policies and Notes to accounts	17		

The Schedules and Notes to account referred to above form an integral part of the Profit and Loss Account.  
This is the Profit and Loss Account referred to in our report of even date.

**As per our report of even date annexed**

For **M.V. Ghelani & Co.**  
**Chartered Accountants**

**M. V. Ghelani**  
Proprietor

Mumbai, 28th May, 2010

**For and on behalf of the board**

**Gautam P. Khandelwal**  
Chairman

**Smt. Suelve G. Khandelwal**  
Director

Mumbai, 28th May, 2010

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

	As at 31st March,2010 Rupees	As at 31st March,2009 Rupees
<b>SCHEDULE 1 - SHARE CAPITAL</b>		
<b>Authorised</b>		
70,00,000 Equity Shares of Rs.10 each	70,000,000	70,000,000
50,000 15% (Free of Company's tax, but subject to deduction of tax at source at the prescribed rates)		
"A" Cumulative Redeemable Preference Shares of Rs. 100 each	<u>5,000,000</u>	<u>5,000,000</u>
	<u>75,000,000</u>	<u>75,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
4,169,100 Equity Shares of Rs.10 each fully paid up	<u>41,691,000</u>	<u>41,691,000</u>
	<u>41,691,000</u>	<u>41,691,000</u>

**NOTES :**

Of the above equity shares,

- (i) 13,69,100 Equity shares were allotted as fully paid up by way of Bonus shares by capitalisation of General Reserve  
(ii) 26,78,220 Equity shares are held by Khandelwals Limited, Holding company.

**SCHEDULE 2 - RESERVES & SURPLUS**

Profit & Loss Account	<u>44,210,634</u>	<u>25,739,415</u>
<b>Total</b>	<u>44,210,634</u>	<u>25,739,415</u>

**SCHEDULE 3 - SECURED LOANS**

Kotak Mahindra Prime Ltd (Car loan) (Secured by hypothecation of Motor Car) purchased under the loan)	1,078,554	-
	<u>1,078,554</u>	<u>-</u>

**SCHEDULE 4 - FIXED ASSETS**

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions during the year	Deduction	Cost As at 31.3.2010	Upto 31.03.2009	For the year	Adjustments on deduction/ transfer	Upto 31.3.2010	As at 31.3.2010	As at 31.3.2009
Buildings (Refer notes 1 & 2)	32,537,152	-	-	32,537,152	4,917,445	530,355	-	5,447,800	27,089,352	27,619,707
Furniture & Fixtures	3,604,872	-	1,277,281	2,327,591	1,554,602	147,071	984,680	716,993	1,610,598	2,050,270
Electrical Installation	828,863	-	-	828,863	271,903	39,371	-	311,274	517,589	556,960
Office Equipments	2,465,295	-	1,600,360	864,935	1,677,739	54,751	1,360,040	372,450	492,485	787,557
Motor car	-	2,052,884	-	2,052,884	-	174,720	-	174,720	1,878,164	-
Computers including Computer Software	6,644,527	-	3,796,844	2,847,683	4,855,630	461,609	3,411,337	1,905,902	941,781	1,788,897
<b>Total</b>	<b>46,080,710</b>	<b>2,052,884</b>	<b>6,674,485</b>	<b>41,459,109</b>	<b>13,277,319</b>	<b>1,407,877</b>	<b>5,756,057</b>	<b>8,929,139</b>	<b>32,529,970</b>	<b>32,803,391</b>
Previous year	46,010,530	70,180	-	46,080,710	11,894,156	1,383,163	-	13,277,319	32,803,391	34,116,374

**Notes :**

**(1) Buildings Include:**

- (i) The face value of shares held in co-operative housing societies amounting to Rs.81,750/- viz:  
(a) Shree Nirmal Commercial Limited: 765 shares of Rs.100 each fully paid up and  
(b) The Malabar Hill Co-Operative Housing Society Limited: 105 shares of Rs.50 each fully paid up and the Net Block of both the above premises included herein is Rs.19,087,844/- (Previous Year Rs.19,476,105/-)  
The above share certificates are held in the former name Khandelwal Ferro Alloys Ltd.  
(ii) Unit No.302,303 & 304 at Mahape, Gross Block whereof is Rs.85,37,100/- (Previous Year Rs.85,37,100/-) acquired from MIDC on 95 years lease basis. The lease documents in respect of unit no.302 & 303 have yet to be executed.
- (2) During the year, the company has carried out physical verification of fixed assets as well as appraised the working condition and the possibility of obsolescence of each item of fixed assets and dealt with the same by writing off the assets not in existence / retired from active use aggregating to Net Book value of Rs. 9,18,428/- which has been shown as Fixed Assets written off in schedule 15. The Gross Block of these assets of Rs.66,74,485/-and Accumulated Depreciation Rs.57,56,057/- has been shown as deduction.

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE 5- INVESTMENTS</b>		
<b>A. LONG TERM (At Cost Less permanent diminution in value (if any))</b>		
<b>(i) Trade</b>		
<b>Fully paid-up Equity Shares ( Unquoted )</b>		
In Wholly Owned Subsidiary Company Informed Financial USA Inc. [100 Equity Shares (Previous Year : 100) of US \$50 each]	219,250	219,250
Total (i)	219,250	219,250
<b>(ii) Non Trade</b>		
<b>Fully paid-up Equity Shares ( Quoted )</b>		
Zenith Birla (India) Limited (Formerly Known as Zenith Ltd.) [18 Equity Shares (Previous year : 18) of Rs. 10/- each]	622	622
Gujarat Steel Tubes Limited [180 Equity Shares (Previous year : 180) of Rs. 10/- each]	375	375
Less: Provision for diminution in value of investments	375	-
Mahinda & Mahindra Financial Services Ltd [116 Equity Shares (Previous year : 116) of Rs. 10/- each]	23,200	23,200
	23,822	23,822
Nagpur Power & Industries Limited [45000 Equity Shares (Previous year :45000) of Rs.10/- each]	1,800,000	1,800,000
Globus Spirits Limited (25000 equity shares (Previous year: Nil) of Rs.10/- each)	2,500,000	-
Total (ii)	4,323,822	1,823,822
Total (A)	4,543,072	2,043,072
<b>B. CURRENT (At lower of cost or market value)</b>		
<b>In Mutual Funds (Unquoted)</b>		
In Units of SBI Mutual fund-Liquid floater plan-Dividend (17,02,239 Units (Previous year: 37,04,830 Units))	17,506,878	38,075,931
In units of SBI Mutual fund-SBI Ultra ST-RP-Monthly Dividend (37,38,562 Units (Previous year: Nil Units)-Cost)	38,272,551	
Less: diminution in value	79,023	-
In units of SBI Mutual fund-SBI Ultra ST-RP-Daily Dividend (1,02,005) Units (Previous year: Nil Units)	1,020,598	-
Total (B)	56,721,004	38,075,931
<b>Total Investments (A+B)</b>	<b>61,264,076</b>	<b>40,119,003</b>
Aggregate Cost of quoted Investments	4,323,822	1,823,822
Aggregate Market Value of quoted Investments	5,157,582	839,018
Aggregate cost of unquoted Investments	57,019,277	38,295,181
<b>SCHEDULE 6 - SUNDRY DEBTORS</b>		
<b>Unsecured</b>		
<b>Debts outstanding for a period exceeding six months</b>		
Considered doubtful or Bad	298,393	298,393
Less: Provision for Doubtful debts	298,393	298,393
[Due from a Company under the same Management Rs. 2,98,393 [maximum amount due during the year Rs. 2,98,393] (Refer Schedule No.17 (ii) e)		
Total	-	-
<b>Other Debts</b>		
Considered Good	2,016,430	2,646,936
Total	2,016,430	2,646,936
<b>Grand Total</b>	<b>2,016,430</b>	<b>2,646,936</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE 7- CASH AND BANK BALANCES</b>		
Cash in hand	5,252	56,131
Balance with Scheduled Banks		
- In Current Accounts	480,500	1,656,131
- In Margin money for issue of bank guarantee	31,132	28,921
- In FDR	1,200,000	-
<b>Total</b>	<b>1,716,884</b>	<b>1,741,183</b>
<b>SCHEDULE 8- OTHER CURRENT ASSETS, LOANS AND ADVANCES</b>		
(Unsecured)		
<b>(a) Considered good</b>		
Deposits	875,554	875,554
Advances recoverable in cash or in kind or for value to be received	2,286,057	318,475
Prepaid expenses	93,464	91,906
Advance payment of Taxes	15,236,208	11,030,331
Service tax credit	814,734	720,814
<b>Sub Total (a)</b>	<b>19,306,017</b>	<b>13,037,080</b>
<b>(b) Considered doubtful</b>		
Advances recoverable in cash or in kind or for value to be received (of which, Due from a Company under the same Management Rs.74,55,954 (Previous year Rs.74,55,954) Maximum amount due during the year and during the previous year is same)	7,455,954	7,455,954
Less: Provision for Doubtful Advances	7,455,954	7,455,954
<b>Sub Total (b)</b>	<b>-</b>	<b>-</b>
<b>Total (a + b)</b>	<b>19,306,017</b>	<b>13,037,080</b>
<b>SCHEDULE 9- LIABILITIES</b>		
<b>Sundry Creditors</b>		
(i) Dues to Small Scale Industrial Undertakings (Refer Schedule No.17 (ii) g)	-	-
(ii) Others	1,053,883	1,200,621
(iii) Dues to Subsidiary Company	521,171	846,856
Security Deposits	7,878,000	6,678,000
Other Liabilities	298,298	428,549
<b>Total</b>	<b>9,751,351</b>	<b>9,154,027</b>
<b>SCHEDULE 10- PROVISIONS</b>		
Provision for :		
Gratuity	377,991	234,572
Leave Salary	103,789	82,632
Income tax	14,217,000	8,217,000
Proposed Dividend	4,169,100	4,169,100
Unclaimed Dividend	174,111	-
Dividend distribution tax	708,539	708,539
Fringe Benefit Tax	351,308	351,308
<b>Total</b>	<b>20,101,838</b>	<b>13,763,151</b>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	YEAR ENDED 31st March, 2010 Rupees	YEAR ENDED 31st March, 2009 Rupees
<b>SCHEDULE 11- SALES</b>		
Data Outsourcing charges-BPO	21,356,457	21,742,622
[Net of returns Rs.Nil (In Previous year Rs.77,766)]		
Total	<u>21,356,457</u>	<u>21,742,622</u>
<b>SCHEDULE 12- OTHER INCOME</b>		
Other Interest	20,280	15,713
(Tax deducted at source Rs.2,028/- (Previous year Rs.Nil)		
Dividend from Current Investments	1,135,479	1,836,389
Dividend from Long Term Investments	649	
Rental/Business Centre Charges	21,338,000	19,989,774
(Tax deducted at source Rs.35,90,515/- (Previous year Rs.41,02,075/-)		
Sundry Balances written back	130,238	-
Profit on sale/redemption of Current Investments	4,471,796	3,574
Profit on sale/redemption of Long Term Investments	93,926	
Foreign Exchange gain	-	92,536
Total	<u>27,190,368</u>	<u>21,937,987</u>
<b>SCHEDULE 13- PAYMENTS TO AND PROVISION FOR EMPLOYEES</b>		
Salaries	6,057,637	5,544,162
Contribution to Provident Fund	263,608	261,739
Contribution to ESIC	28,945	-
Staff Welfare	82,074	120,885
Total	<u>6,432,264</u>	<u>5,926,786</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	YEAR ENDED 31st March, 2010 Rupees	YEAR ENDED 31st March, 2009 Rupees
<b>14- OPERATING EXPENSES</b>		
Webhosting Charges	125,343	172,526
Communication charges	680,869	1,076,416
Professional fees	921,520	680,717
Membership & Subscription	37,147	93,338
Software expenses	17,876	17,620
Computer Hire charges	151,600	270,750
Computer Maintenance charges	2,832	20,625
Data Processing/management charges	477,086	489,084
Network Maintenance charges	-	6,750
Business Development fees	1,334,698	2,135,358
Foreign exchange fluctuation	266,258	-
Total	<u>4,015,229</u>	<u>4,963,184</u>
<b>15- ADMINISTRATIVE AND OTHER EXPENSES</b>		
<b>Repairs and Maintenance</b>		
Building Maintenance charges	704,114	538,040
Repairs to others	16,921	11,757
	<u>721,035</u>	<u>549,797</u>
<b>Auditors remuneration</b>	<b>161,801</b>	<b>138,737</b>
<b>Travelling expenses</b>		
Conveyance	37,290	310,258
Staff Bus charges	1,221,192	1,171,800
Travelling -Director	570,254	666,528
	<u>1,828,736</u>	<u>2,148,586</u>
<b>Administrative expenses:</b>		
Rent Rates & Taxes	290,838	278,499
Printing & Stationery	52,158	57,440
Insurance Charges	77,944	103,758
Recruitment expenses	8,425	21,135
ISO Audit fees	10,000	49,920
Electricity Charges	1,424,694	1,530,666
Annual service charges-STPI (Includes relating to prior period Rs.76250/- previous year Rs.Nil)	76,250	-
Donation	700,000	-
Loss on dimunition in value of Current investments	79,023	-
Fixed Assets .w/off (Refer Schedule 4 note-2)	918,428	-
Miscellaneous expenses	687,779	581,901
Total	<u>4,325,538</u>	<u>2,623,319</u>
	<u>7,037,110</u>	<u>5,460,439</u>
<b>SCHEDULE 16- INTEREST</b>		
Interest on Car Loan	117,321	-
Total	<u>117,321</u>	<u>-</u>

**Schedule 17**

**Significant Accounting Policies and Notes to Accounts Annexed to the Balance Sheet as at March 31,2010 and the Profit and Loss Account for the year ended March 31,2010.**

**i) Significant Accounting Policies:****a) Basis for preparation of financial statement:**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

**b) Fixed Assets and Depreciation:**

Fixed assets are stated at Cost of acquisition. Depreciation is provided on Straight Line Method and at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. However, office equipments are depreciated at 6.33 % on Straight Line Method.

**c) Investments:**

Investments are classified into long term and current investments. Long Term investments are stated at cost and diminution in value is provided for, where the management is of the opinion that the diminution is of permanent nature. Current investments are stated at lower of cost or market value.

**d) Sundry Debtors and Loans and Advances:**

Sundry Debtors and Loans and Advances are stated after making adequate provision for doubtful balances.

**e) Revenue Recognition:**

Revenue is recognised when no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods or rendering the service.

**f) Retirement Benefits:**

Contributions to Provident Fund are charged to Profit and Loss Account on an accrual basis. Provision for gratuity and leave benefits is determined as per actuarial valuation at the year end and charged to the Profit and Loss Account.

**g) Foreign Exchange Transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange difference arising out of the said transactions other than those relating to fixed assets are recognised in the Profit and Loss Account. Exchange difference in respect of liabilities incurred for the acquisition of fixed assets are adjusted to the cost of the assets.

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the balance sheet date.

**h) Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

**i) Taxation:**

Income tax expense comprises of current tax, deferred tax charge or credit and fringe benefit tax. The deferred tax charge or credit is recognised using current tax rates. Where there is an unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.

**j) Contingent liability:**

Contingent liability are usually not provided for unless it is probable that the future outcome may be materially detrimental to the Company.

**k) Segment Reporting:**

The Company is principally engaged in the business of Business process outsourcing which is the only reportable segment as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India on "Segment Reporting".



(ii) **Notes to Accounts:**

a) Commitment and Contingencies

	<b>As at 31<sup>st</sup> Mar, 2010 Rupees</b>	<b>As at 31<sup>st</sup> Mar, 2009 Rupees</b>
Estimated amount of contract remains to be executed on capital account and not provided for against which advance has been paid	Nil	Nil
Any claim against the Company not acknowledged as debts	None	None

- b) The Company has carry forward loss of business available for set-off against the future profits under the Income Tax Act, 1961. Considering the nature of business, viz. uncertainty regarding generation of sufficient future income / taxable income for set off against the said carry forwards , net deferred tax assets at the year end including related credit for the year have not been recognised in these accounts on prudent basis.
- c) In the opinion of the board the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the sums stated.
- d) The balance of sundry debtors, deposits, advances and sundry creditors are subject to confirmation.
- e) The Company has to receive sums aggregating to Rs.2,98,393/- from Khandelwals Ltd, London, a Company under the same management. These sums are old outstandings which are unreconciled and supporting documents are not available. Therefore as a prudent policy the said amount has been provided as doubtful. Under the circumstances, the auditors have relied upon the judgement of the Management.
- f) Previous year's figures are reclassified and/or regrouped and/or rearranged wherever necessary.
- g) In the absence of relevant information with the company, the names of small scale industrial undertakings to whom the company owes any sum together with interest outstanding for more than 30 days have not been given. This management representation has been relied upon by the Auditors.
- h) The Company has been granted STP approval from Software Technology Park of India (STPI) vide letter no STPI/MUM/VIII(A)(393)/2000(03)/ (SKA)/ 3577 dated 25.05.2009 valid upto 1st December 2012.

iii) **Disclosures as required under AS-18, "Related Party Disclosures" are given below:**

a) **Name and Nature of Relationship of the Related Parties where Control Exists:**

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
a) Khandelwals Limited, London	Holding Company
b) Informed Financial US Inc.	Wholly owned Subsidiary Company
c) Nagpur Power & Industries Ltd	Associate Company
d) Magnachem Pharmaceuticals Pvt. Ltd	Associate Company
e) Meteor Metals & Ores Ltd.	Associate Company
f) Zeppelin Investments P. Ltd.	Associate Company

b) **Name of the Related Parties having Transaction with the Company during the Year and the details of transactions carried out with them :**

1. **Enterprises owned or significantly influenced by any management Personnel or their relatives**

a) Nagpur Power & Industries Limited	
- Advance Taken and Repaid	Rs.5,79,631/Rs.5,79,631
b) Informed Financial USA Inc.	
- Business development fees	Rs.11,59,230
- Foreign Exchange Fluctuation (Net)	Rs. 36,286

<b>2. Key Management Personnel</b>	<b>Designation</b>	( In Rupees)
a) Mr.Gautam Khandelwal	Chairman	Nil
b) Mrs. Suelve Khandelwal	Director	Rs.12,00,000
c) Mr. Arnold Allen	Director	Rs.2,30,142
-Professional fees		

**3. Relatives of Key Management Personnel\*** ————— Nil —————

\* The Company does not have an exhaustive list of business or professions in which relatives of directors of the company have substantial interest. As such, payments made to any such persons, if any have not been identified. This management representation has been relied upon by the Auditors.

**c) Balance Outstanding As At 31<sup>st</sup> March, 2010**

	<b>Maximum Outstanding Balance (Rs.)</b>	<b>Receivable (Rs.)</b>	<b>Payable (Rs.)</b>
<b>1 Related Parties where control exists</b>			
a) Khandelwals Limited.,London	2,98,393 (2,98,393)	2,98,393 (2,98,393)	Nil (Nil)
b) Informed Financial USA Inc	10,23,386 (14,57,503)	Nil (Nil)	5,21,171 (8,46,856)
c) Nagpur Power and Industries Limited	92,483 (3,29,176)	Nil (Nil)	Nil (Nil)
d) Magnachem Pharmaceuticals Private Limited	74,55,954 (74,55,954)	74,55,954 (74,55,954)	Nil (Nil)
e) Meteor Metals & Ores Limited	Nil (Nil)	Nil (Nil)	Nil (Nil)

*Figures in brackets are related to previous year*

**2. Key Management Personnel**

	<b>Maximum Outstanding Balance (Rs.)</b>	<b>Receivable (Rs.)</b>	<b>Payable (Rs.)</b>
a) Mr.Gautam Khandelwal	Nil (Nil)	Nil (Nil)	Nil (Nil)
b) Mr.Arnold Allen	2,30,142 cr (2,03,535 cr)	Nil (Nil)	Nil (Nil)
c) Mrs.Suelve Khandelwal	96,800 (48,300)	Nil (Nil)	6,238 (33,579)

*Figures in brackets are related to previous year*

**3 Relatives of key Management Personnel**

	<b>Maximum Outstanding Balance (Rs.)</b>	<b>Receivable (Rs.)</b>	<b>Payable (Rs.)</b>
		————— Nil —————	

**iv) Earnings Per Share:**

		For the year ended 31 <sup>st</sup> Mar, 2010	For the year ended 31 <sup>st</sup> Mar, 2009
Profit/(Loss) for the year (Rs.)	(A)	23,348,858	21,104,037
Number of Equity Shares Outstanding	(B)	41,69,100	41,69,100
Earnings per share of Rs.10 each	(A/B)	5.600	5.062

**v) Additional information pursuant to the provisions of Paragraphs 3 (i)(a),4B, and 4D of part II of the Schedule VI of the Companies Act, 1956 :**

	<b>For the Year ended 31<sup>st</sup> Mar, 2010 Rupees</b>	<b>For the Year ended 31<sup>st</sup> Mar, 2009 Rupees</b>
<b>a) Auditor's Remuneration</b> (excluding Service Tax)		
Audit Fees	55,000	55,000
Taxation matters including tax audit	35,000	35,000
Certification work and other matters	67,955	46,680
Out of pocket expenses	3,846	2,057
<b>TOTAL</b>	<u>161,801</u>	<u>1,38,737</u>
<b>b) Sales</b>		
Business Process Outsourcing *	2,13,56,457	2,17,42,622
[Net of returns Rs.Nil (In previous year Rs. 77,766)]		
<b>TOTAL</b>	<u>2,13,56,457</u>	<u>2,17,42,622</u>
<b>c) Value of imports calculated on CIF basis during the year</b>		
Components and spares	Nil	Nil
Capital goods	Nil	Nil
<b>TOTAL</b>	<u>Nil</u>	<u>Nil</u>

\* This activity is not capable of being expressed in generic units and hence, its quantitative information, is not provided.

**d) Expenditure in Foreign Currency:**

**Other matters :**

Foreign Travel	1,95,163	2,07,953
Business Development Fees	13,34,698	21,35,358
Data Processing /Management charges	4,77,085	4,89,084
Legal & Consultancy	2,30,142	2,03,535
<b>TOTAL</b>	<u>22,37,065</u>	<u>30,35,930</u>

**e) Earnings in Foreign Exchange :**

Business Process Outsourcing	2,13,56,457	2,17,42,622
<b>TOTAL</b>	<u>2,13,56,457</u>	<u>2,17,42,622</u>

f) The Information with regards to paragraphs 3(ii) (a) and 4C of part II of the Schedule VI do not apply to the company.

Signature to Schedules 1 to 17, which form an integral part of the accounts.

**As per our report of even date annexed**

For **M.V. Ghelani & Co.**  
**Chartered Accountants**

**M. V. Ghelani**  
Proprietor

Mumbai, 28<sup>th</sup> May,2010

**For and on behalf of the board**

**Gautam P. Khandelwal**  
Chairman

**Smt. Suelve G. Khandelwal**  
Director

Mumbai, 28<sup>th</sup> May,2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	<b>Amount in Rupees</b>	
	For the year ended 31st March, 2010	For the year ended 31st March, 2009
	Rs.	Rs.
<b>Cash From Operating Activities</b>		
Net Profit/(Loss) before tax and prior period items	29,537,024	25,947,037
Adjustments for :		
Depreciation	1,407,877	1,383,163
Fixed Assets (w/off)	918,428	-
Interest Expenses	117,321	-
Dividend Income	(1,136,128)	(1836389)
Interest Income	(20,280)	(15,713)
Profit on redemption of Investments	(4,565,722)	(3,574)
Loss on Diminution value of investments	79,023	-
Foreign Exchange Loss/(Gain)	266,258	(92,536)
	<u>(2,933,224)</u>	<u>(565,050)</u>
<b>Operating Profit before working capital changes</b>	<b>26,603,800</b>	<b>25,381,988</b>
<b>Adjustment for</b>		
Trade Receivables	364,248	807,340
Loans and Advances	-	-
Other Current Assets	(6,268,937)	(4,250,282)
Trade Payables	6,936,011	6,099,831
	<u>1,031,322</u>	<u>2,656,889</u>
<b>Cash generated from Operations</b>	<b>27,635,122</b>	<b>28,038,876</b>
<b>Cash Flow before Prior Period Adjustments &amp; Extra Ordinary Items</b>	<b>27,635,122</b>	<b>28,038,876</b>
<b>Prior period adjustment and extraordinary item</b>		
Proposed dividend	(4,169,100)	(4,169,100)
Dividend distribution tax	(708,539)	(708,539)
Income tax	(6,188,166)	(4,843,000)
	<u>16,569,317</u>	<u>18,318,237</u>
<b>Net cash from Operating Activities (A)</b>		
<b>Cash From Investing Activities</b>		
Purchase of Fixed Assets	(2,052,884)	(70,180)
Purchase of Investments	(75,162,069)	(21,135,868)
Dividend Income	1,136,128	1,836,389
Proceeds from Sale of Investment	58,503,695	1,500,000
Interest Income	20,280	15,713
	<u>(17,554,850)</u>	<u>(17,853,946)</u>
<b>Net cash from Investing Activities (B)</b>	<b>(17,554,850)</b>	<b>(17,853,946)</b>
<b>Cash Flow From Financing Activities</b>		
Interest Paid	(117,321)	-
Proceeds from Secured Loan	1,315,548	-
Repayment of Loan	(236,994)	-
	<u>961,233</u>	<u>-</u>
<b>Net Cash Provided by/(Used in) Financing Activities (C)</b>	<b>961,233</b>	<b>-</b>
	<u>961,233</u>	<u>-</u>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(24,299)</b>	<b>464,291</b>
<b>Cash &amp; Cash Equivalent at the Beginning of the Period</b>	<b>1,741,183</b>	<b>1,276,892</b>
<b>Cash &amp; Cash Equivalent at the end of the Period</b>	<b>1,716,884</b>	<b>1,741,183</b>

For **M.V.Ghelani & Co.**  
Chartered Accountants

For and on behalf of the board  
**Gautam P. Khandelwal**  
Chairman

**M. V. Ghelani**  
Proprietor

**Smt.Suelve G. Khandelwal**  
Director

Mumbai: 28<sup>th</sup> May, 2010

Mumbai: 28<sup>th</sup> May, 2010

**AUDITOR'S CERTIFICATE**

To,  
The Board of Directors  
Informed Technologies India Limited  
"Nirmal", 20th Floor, Nariman Point,  
Mumbai - 400 021.

We have examined the attached Cash Flow Statement of Informed Technologies India Limited for the year ended 31st March, 2010. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchange and is based on and is derived from and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For **M.V. Ghelani & Co.,**  
Chartered Accountants

**M.V. Ghelani**  
Proprietor  
Mumbai: 28<sup>th</sup> May, 2010

Balance Sheet Abstract and Company's General Business Profile  
As per Schedule VI, part (IV) of the Companies Act, 1956

**I Registration Details**

Registration No.	0	1	1	0	0	1
State Code					1	1
Balance Sheet Date	3	1	0	3	1	0

**II Capital Raised during the year (Rs.in Thousands)**

Public Issue	N	I	L
Right Issue	N	I	L
Bonus Issue	N	I	L
Private Placement	N	I	L

**III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)**

Source of Funds					
Total Liabilities	8	6	9	8	0
Total Assets	8	6	9	8	0
Paid up Capital	4	1	6	9	1
Reserves & Surplus	4	4	2	1	1
Secured Loans		1	0	7	8
Unsecured Loans			N	I	L
Net Fixed Assets	3	2	5	3	0
Investments	6	1	2	6	4
Net Current Assets		(6	8	1	4)
Accumulated Losses			N	I	L

**IV Performance of Company (Amount in Rs.Thousands)**

Total Income	4	8	5	4	7
Total Expenditure	1	7	4	8	5
Profit Before Tax	2	9	5	3	7
Profit After Tax	2	3	3	4	9
Earning per Share in Rs.		5	.	6	0
Dividend rate %				1	0

**V Generic Names of three principal products/service of Company (As per monetary terms)**

Item Code No.(ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E		
Product Description	B	U	S	I	N	E	S	S		P	R	O	C	E	S	S
	O	U	T	S	O	U	R	C	I	N	G					

For **M.V.Ghelani & Co.**  
**Chartered Accountants**

**M. V. Ghelani**  
Proprietor  
Mumbai, 28<sup>th</sup> May,2010

For and on behalf of the board  
**Gautam P. Khandelwal**  
Chairman

**Smt. Suelve G. Khandelwal**  
Director  
Mumbai, 28<sup>th</sup> May,2010

**Statement pursuant to Section 212 of the Companies Act, 1956.**

Name of the Subsidiary Company	Financial year ending of the Subsidiary	Number of Shares held	Extent of holding	For Financial Year of the Subsidiary (In Rs.)		For the previous Financial Years since it became a Subsidiary (In Rs.)	
				Profits/(Losses) so far it concerns the members of the Holding Company and not dealt within the books of Account of the Holding Company (Except to the extent dealt within Col.6)	Profits/(Losses) so far it concerns the members of the Holding Company and dealt within the books of Account of the Holding Company.	Profits/(Losses) so far it concerns the members of the Holding Company and not dealt within the books of Account of the Holding Company (Except to the extent dealt within Col.8)	Profits/(Losses) so far it concerns the members of the Holding Company and dealt within the books of Account of the Holding Company.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Informed Financial USA, Inc	31st December, 2009	100 shares of fifty dollar per share i.e. US \$ 5000	100%	(595,644)	Nil	(607,976)	Nil

**For and on behalf of the Board**

**Gautam P. Khandelwal**  
**Chairman**

Mumbai: 28th May, 2010

**STATEMENT REGARDING SUBSIDIARY COMPANIES**

(In Rs.)

Name of the Subsidiary Company	As at	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit (Loss) after Taxation
Informed Financial USA Inc	31st December, 2009	234,450	238,717	836,752	836,752	1,547,370	(532,624)	63,020	(595,644)

Converted into Indian Rupees at the Exchange rate, 1 USD = Rs 46.89 as on 31st Dec 2009.

**For and on behalf of the Board**

**Gautam P. Khandelwal**  
**Chairman**

Mumbai: 28th May, 2010

**TO THE BOARD OF DIRECTORS OF  
INFORMED TECHNOLOGIES INDIA LIMITED  
REPORT OF THE AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the attached Consolidated Balance Sheet of Informed Technologies India Limited ("the Company") and its subsidiary Informed Financials USA, Inc. (Collectively referred to as "the Group"), as at 31<sup>st</sup> March, 2010, the Consolidated Profit and Loss account and Consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of the foreign subsidiary viz. Informed Financial USA, Inc, whose Financial Statements reflect total assets of US\$ 17,845 as at 31<sup>st</sup> December 2009 and total revenue of US\$ 33,000 for the year ended 31<sup>st</sup> December 2009 as considered in the Consolidated Financial Statements. These financial statements and other information have been compiled by an independent firm of Accountants, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The compilation is limited to presenting in the form of financial statements information that is the representation of management. The accountants have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. Our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based on their report.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards issued by the Institute of Chartered Accountants of India viz. Accounting Standard (AS) - 21, Consolidated Financial Statements, the Accounting Standard Interpretations and amendments issued thereto, to the extent applicable for the year ended 31<sup>st</sup> March, 2010 and on the basis of the separate audited financial statements of Informed Technologies India Limited and it's subsidiary Informed Financial USA, Inc. included in the consolidated financial statements.

Based on our audit and on consideration of the said report of other auditor on separate financial statements and the other financial information of the subsidiary and *subject to our comments in paragraph three above the effect whereof on the accounts is not ascertainable*, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2010;
- (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **M.V.GHELANI & CO.**  
**CHARTERED ACCOUNTANTS**

**(M. V. GHELANI)**  
**PROPRIETOR**

Place : Mumbai  
Dated : 28<sup>th</sup> May 2010

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>I. SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	41,691,000	41,691,000
<b>Reserves and Surplus</b>	2	<u>44,464,550</u>	<u>26,653,482</u>
<b>Secured Loans</b>	3	<u>1,078,554</u>	-
<b>Total</b>		<u><u>87,234,104</u></u>	<u><u>68,344,482</u></u>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	41,459,109	46,080,710
Less : Depreciation		<u>8,929,139</u>	<u>13,277,319</u>
Net Block		<b>32,529,970</b>	32,803,391
<b>Investments</b>	5	<b>61,044,826</b>	39,899,753
<b>Current Assets, Loans and Advances</b>			
Sundry Debtors	6	2,161,097	3,152,464
Cash and Bank Balances	7	1,887,798	1,747,945
Other Current Assets, Loans and Advances	8	<u>19,306,016</u>	<u>13,251,025</u>
		<u>23,354,911</u>	<u>18,151,433</u>
<b>Less : Current Liabilities and Provisions</b>			
Liabilities	9	9,593,765	8,746,943
Provisions	10	<u>20,101,838</u>	<u>13,763,151</u>
		<u>29,695,603</u>	<u>22,510,094</u>
<b>Net Current Assets</b>		<u><b>(6,340,692)</b></u>	<u>(4,358,661)</u>
<b>Total</b>		<u><u>87,234,104</u></u>	<u><u>68,344,482</u></u>

Significant Accounting Policies and Notes to Accounts

17

The Schedules and Notes to account referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date .

**As per our report of even date annexed**

For **M.V. Ghelani & Co.**  
**Chartered Accountants**

**M. V. Ghelani**  
Proprietor

Mumbai, 28th May, 2010

**For and on behalf of the board**

**Gautam P. Khandelwal**  
Chairman

**Smt. Suelve G. Khandelwal**  
Director

Mumbai, 28th May, 2010



**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedule	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
<b>I. INCOME</b>			
Sales and Services	11	21,809,275	22,718,090
Other Income	12	27,190,368	21,937,987
<b>TOTAL INCOME</b>	<b>A</b>	<b>48,999,643</b>	<b>44,656,077</b>
<b>II. EXPENDITURE</b>			
Payment to and provision for employees	13	6,432,264	6,939,075
Operating expenses	14	4,337,617	4,402,605
Administrative and other expenses	15	7,722,422	6,481,840
<b>TOTAL EXPENDITURE</b>	<b>B</b>	<b>18,492,303</b>	<b>17,823,520</b>
<b>Profit/ (Loss) Before interest and depreciation</b>	<b>A-B</b>	<b>30,507,340</b>	<b>26,832,557</b>
Interest	16	117,321	-
Depreciation		1,407,877	1,383,163
<b>Profit/ (Loss) before taxation.</b>		<b>28,982,142</b>	<b>25,449,394</b>
<b>Payment and provision for Taxation</b>			
- Current Tax		6,065,654	4,855,119
- Deferred Tax		-	-
- Fringe Benefit Tax		-	26,000
- Prior Period Tax		188,166	-
<b>Profit after taxation</b>		<b>22,728,322</b>	<b>20,568,275</b>
<b>Add: Profit/(Loss) brought forward from previous year</b>		<b>26,518,773</b>	<b>10,828,137</b>
<b>Less: Appropriations</b>			
Proposed Dividend		4,169,100	4,169,100
Dividend distribution tax		708,539	708,539
<b>Balance of Profit &amp; Loss A/c carried to Balance Sheet</b>		<b>44,369,456</b>	<b>26,518,773</b>
Earning Per Share (Basic & Diluted)		5.452	4.934
Significant Accounting Policies and Notes to accounts		17	

The Schedules and Notes to account referred to above form an integral part of the Profit and Loss Account.  
This is the Profit and Loss Account referred to in our report of even date.

**As per our report of even date annexed**

For **M.V. Ghelani & Co.**  
Chartered Accountants

**M. V. Ghelani**  
Proprietor

Mumbai, 28th May, 2010

**For and on behalf of the board**

**Gautam P. Khandelwal**  
Chairman

**Smt. Suelve G. Khandelwal**  
Director

Mumbai, 28th May, 2010

**CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31st March,2010 Rupees	As at 31st March,2009 Rupees
<b>Schedule 1 - Share Capital</b>		
<b>Authorised</b>		
7,000,000 Equity Shares of Rs.10 each	<b>70,000,000</b>	70,000,000
50,000 15% (Free of Company's tax, but subject to deduction of tax at source at the prescribed rates) "A" Cumulative Redeemable Preference Shares of Rs. 100 each	<b>5,000,000</b>	5,000,000
	<u><b>75,000,000</b></u>	<u>75,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
4,169,100 Equity Shares of Rs.10 each fully paid up	<b>41,691,000</b>	41,691,000
	<u><b>41,691,000</b></u>	<u>41,691,000</u>
<b>NOTES :</b>		
Of the above equity shares,		
(i) 1,369,100 Equity shares were allotted as fully paid up by way of Bonus shares by capitalisation of General Reserve.		
(ii) 2,678,220 Equity shares are held by Khandelwals Limited, Holding company.		
<b>SCHEDULE 2- RESERVES AND SURPLUS</b>		
Foreign Currency Translation Reserve on Consolidation		
Opening balance	<b>134,709</b>	(153,104)
Add :Foreign Currency Translation for the year	<b>(39,615)</b>	287,813
	<u><b>95,094</b></u>	<u>134,709</u>
Profit and Loss Account	<b>44,369,456</b>	26,518,773
<b>Total</b>	<u><b>44,464,550</b></u>	<u><b>26,653,482</b></u>
<b>SCHEDULE 3 - SECURED LOANS</b>		
Kotak Mahindra Prime Ltd (Car loan) (Secured by hypothecation of Motor Car purchased under the loan)	1,078,554	-
<b>Total</b>	<u><b>1,078,554</b></u>	<u>-</u>

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 4 - FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions during the year	Deduction	Cost As at 31.3.2010	Upto 31.03.2009	For the year	Adjustments on deduction/ transfer	Upto 31.3.2010	As at 31.3.2010	As at 31.3.2009
Buildings (Refer notes 1 & 2)	32,537,152	-	-	32,537,152	4,917,445	530,355	-	5,447,800	27,089,352	27,619,707
Furniture & Fixtures	3,604,872	-	1,277,281	2,327,591	1,554,602	147,071	984,680	716,993	1,610,598	2,050,270
Electrical Installation	828,863	-	-	828,863	271,903	39,371	-	311,274	517,589	556,960
Office Equipments	2,465,295	-	1,600,360	864,935	1,677,739	54,751	1,360,040	372,450	492,485	787,557
Motor car	-	2,052,884	-	2,052,884	-	174,720	-	174,720	1,878,164	-
Computers including Computer Software	6,644,527	-	3,796,844	2,847,683	4,855,630	461,609	3,411,337	1,905,902	941,781	1,788,897
<b>Total</b>	<b>46,080,710</b>	<b>2,052,884</b>	<b>6,674,485</b>	<b>41,459,109</b>	<b>13,277,319</b>	<b>1,407,877</b>	<b>5,756,057</b>	<b>8,929,139</b>	<b>32,529,970</b>	<b>32,803,391</b>
Previous year	46,010,530	70,180	-	46,080,710	11,894,156	1,383,163	-	13,277,319	32,803,391	34,116,374

Notes :

(1) Buildings Include:

- (i) The face value of shares held in co-operative housing societies amounting to Rs.81,750/- viz:  
 (a) Shree Nirmal Commercial Limited: 765 shares of Rs.100 each fully paid up and  
 (b) The Malabar Hill Co-Operative Housing Society Limited: 105 shares of Rs.50 each fully paid up and the Net Block of both the above premises included herein is Rs.19,087,844/- (Previous Year Rs.19,476,105/-)  
 The above share certificates are held in the former name Khandelwal Ferro Alloys Ltd.  
 (ii) Unit No.302,303 & 304 at Mahape, Gross Block whereof is Rs.85,37,100/- (Previous Year Rs.85,37,100/-) acquired from MIDC on 95 years lease basis. The lease documents in respect of unit no.302 & 303 have yet to be executed.
- (2) During the year, the company has carried out physical verification of fixed assets as well as appraised the working condition and the possibility of obsolescence of each item of fixed assets and dealt with the same by writing off the assets not in existence / retired from active use aggregating to Net Book value of Rs. 9,18,428/- which has been shown as Fixed Assets written off in schedule 15. The Gross Block of these assets of Rs.66,74,485/- and Accumulated Depreciation Rs.57,56,057/- has been shown as deduction.

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
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Schedule 4 - Investments

A. LONG TERM (At Cost Less permanent diminution in value (if any))

Non Trade

<b>Fully paid-up Equity Shares (Quoted)</b>				
Zenith Birla (India) Limited (Formerly Known as Zenith Ltd.)	622			622
[18 Equity shares (Previous year :18) of Rs 10 each]				
Gujarat Steel Tubes Limited	375		375	
[180 Equity Shares (Previous year : 180) of Rs. 10/- each]				
Less: Provision for diminution in value of investments	375	-	375	-
Mahinda & Mahindra Financial Services Ltd	23,200	23,822		23,200 23,822
[116 Equity Shares (Previous year : 116) of Rs. 10/- each]				
Nagpur Power & Industries Limited		1,800,000		1,800,000
[ 45000 Equity Shares (Previous year : Nil) of Rs.10/- each]				
Globus Spirits Limited		2,500,000		
(25,000 equity shares (Previous year: Nil) of Rs.10/- each)				
<b>Total (A)</b>		<b>4,323,822</b>		<b>1,823,822</b>
<b>B. CURRENT (At lower of cost or market value)</b>				
<b>In Mutual Funds (Unquoted)</b>				
In Units of SBI Mutual fund				
In Units of SBI Mutual fund-Liquid floater plan-Dividend		17,506,878		38,075,931
(17,02,239 Units (Previous year: 37,04,830 Units)				
in units of SBI Mutual fund-SBI Ultra ST-RP-Monthly Dividend				
(37.38,562 Units (Previous year: Nil Units)-Cost	38,272,551			
Less: diminution in value	79,023	38,193,528		
in units of SBI Mutual fund-SBI Ultra ST-RP-Daily Dividend		1,020,598		
(1,02,005) Units (Previous year: Nil Units)				
<b>Total (B)</b>		<b>56,721,004</b>		<b>38,075,931</b>
<b>Total Investments (A) + (B)</b>		<b>61,044,826</b>		<b>39,899,753</b>
Aggregate Cost of quoted Investments		4,323,822		1,823,822
Aggregate Market Value of quoted Investments		5,157,582		839,018
Aggregate cost of unquoted Investments		57,019,277		38,075,931

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March,2010 Rupees	As at 31st March,2009 Rupees
<b>SCHEDULE 6 - SUNDRY DEBTORS</b>		
<b>Unsecured</b>		
<b>Debts outstanding for a period exceeding six months</b>		
Considered doubtful or Bad	298,393	298,393
Less: Provision for Doubtful debts	298,393	298,393
<b>Total</b>	<u>-</u>	<u>-</u>
<b>Other Debts</b>		
Considered Good	2,161,097	3,152,464
<b>Total</b>	<u>2,161,097</u>	<u>3,152,464</u>
<b>Grand Total</b>	<u>2,161,097</u>	<u>3,152,464</u>
 <b>SCHEDULE 7 - CASH AND BANK BALANCES</b>		
Cash in hand	5,252	56,131
Balance with Banks		
- In Current Accounts	651,414	1,662,893
- In Margin Money for issue of bank guarantee	31,132	28,921
- In FDR	1,200,000	
<b>Total</b>	<u>1,887,798</u>	<u>1,747,945</u>
 <b>SCHEDULE 8 - OTHER CURRENT ASSETS , LOANS AND ADVANCES</b>		
(Unsecured)		
<b>(a) Considered good</b>		
Deposits	875,554	1,089,499
Advances recoverable in cash or in kind or for value to be received	2,286,057	318,475
Prepaid expenses	93,463	91,906
Advance payment of Taxes	15,236,208	11,030,331
Service tax credit	814,734	720,814
<b>Sub Total (a)</b>	<u>19,306,016</u>	<u>13,251,025</u>
 <b>(b) Considered doubtful</b>		
Advances recoverable in cash or in kind or for value to be received (of which, Due from a Company under the same Management Rs.74,55,954 (Previous year Rs.74,55,954) Maximum amount due during the year and during the previous year is same)	7,455,954	7,455,954
Less: Provision for doubtful advances	7,455,954	7,455,954
<b>Sub Total (b)</b>	<u>-</u>	<u>-</u>
<b>Total (a + b)</b>	<u>19,306,016</u>	<u>13,251,025</u>

**CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31st March,2010 Rupees	As at 31st March,2009 Rupees
<b>SCHEDULE 9 - LIABILITIES</b>		
<b>Sundry Creditors</b>		
(i) Due of the holding company to small scale industrial undertaking (Refer Shedule No.16 (ii) g of the holding company)	-	-
(ii) Others	1,053,883	1,200,621
Security Deposits	7,878,000	6,678,000
Other Liabilities	661,883	868,322
<b>Total</b>	<b>9,593,765</b>	<b>8,746,943</b>
<b>SCHEDULE 10 - PROVISIONS</b>		
Provision for :		
Gratuity	377,991	234,572
Leave Salary	103,789	82,632
Income Tax	14,217,000	8,217,000
Proposed Dividend	4,169,100	4,169,100
Unclaimed Dividend	174,111	-
Dividend distribution tax	708,539	708,539
Fringe Benfit Tax	351,308	351,308
<b>Total</b>	<b>20,101,838</b>	<b>13,763,151</b>

**CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	For the year ended 31st March,2010 Rupees	For the year ended 31st March,2009 Rupees
<b>SCHEDULE 11 - SALES AND SERVICES</b>		
Data Outsourcing Charges-BPO [Net of returns Rs.Nil (In Previous year Rs.77,766)]	21,809,275	22,718,090
<b>Total</b>	<b>21,809,275</b>	<b>22,718,090</b>
<b>SCHEDULE 12 - OTHER INCOME</b>		
Other Interest (Tax deducted at source Rs.2,028/- (Previous year Rs.Nil)	20,280	15,713
Dividend from Current Investments	1,135,479	1,836,389
Dividend from Long Term Investments	649	-
Rental/Business Centre Charges (Tax deducted at source Rs.35,90,515/- (Previous year Rs.41,02,075/-)	21,338,000	19,989,774
Sundry Balances written back	130,238	-
Profit on sale/redemption of Current Investments	4,471,796	-
Profit on sale/redemption of Long Term Investments	93,926	-
Foreign Exchange gain	-	3,574
<b>Total</b>	<b>27,190,368</b>	<b>21,937,987</b>

**CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	For the year ended 31st March,2010 Rupees	For the year ended 31st March,2009 Rupees
<b>SCHEDULE 13- PAYMENTS TO AND PROVISION FOR EMPLOYEES</b>		
Salaries	6,057,637	6,556,451
Contribution to Provident Fund	263,608	261,739
Contribution to ESIC	28,945	-
Staff Welfare	82,074	120,885
<b>Total</b>	<b>6,432,264</b>	<b>6,939,075</b>
<b>SCHEDULE 14- OPERATING EXPENSES</b>		
Webhosting Charges	125,343	172,526
Communication charges	680,868	1,104,852
Professional fees	2,403,139	2,149,246
Membership & Subscription	37,147	171,152
Software expenses	17,876	17,620
Computer Hire charges	151,600	270,750
Computer maintenance charges	2,832	20,625
Data Processing/Management charges	477,086	489,084
Business Develeopment fees	175,468	-
Network maintenance charges	-	6,750
Foreign exchange fluctuation	266,258	-
<b>Total</b>	<b>4,337,617</b>	<b>4,402,605</b>
<b>SCHEDULE 15- ADMINISTRATIVE AND OTHER EXPENSES</b>		
<b>Repairs and Maintenance</b>		
-Building Maintenance charges	704,114	538,040
-Repairs to others	16,921	11,757
<b>Auditors remuneration</b>	<b>210,651</b>	<b>138,737</b>
<b>Travelling expenses</b>		
Conveyance	37,290	310,258
Staff Bus charges	1,221,192	1,171,800
Travelling	600,101	738,909
<b>Administrative expenses:</b>		
Rent Rates & Taxes	877,525	1,187,211
Printing & Stationery	52,157	68,569
Insuarncce Charges	77,944	125,315
Recruitment expenses	8,425	21,135
ISO Audit fees	10,000	49,920
Electricity Charges	1,424,693	1,530,666
Annual service charges-STPI (Includes relating to prior period Rs.76250/- previous year Rs.Nil)	76,250	
Donation	700,000	-
Loss on diminition value of investments	79,023	-
Fixed Assets .w/off (Refer Schedule 4 note-2)	918,428	
Miscellanous expenses	707,708	589,525
<b>Total</b>	<b>7,722,422</b>	<b>6,481,840</b>
<b>SCHEDULE 16- INTEREST</b>		
Interest on Car Loan	117,321	-
<b>Total</b>	<b>117,321</b>	<b>-</b>

**Schedule 17**

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements.

1. The Consolidated Financial statements relate to Informed Technologies India Limited ( the Parent Company), and Informed Financial USA Inc.( Wholly Owned Subsidiary company).
2. The name, country of incorporation or residence, proportion of ownership interest and reporting dates of the subsidiary company is as follows :

<b>Name of the Subsidiary</b>	<b>Country of Incorporation</b>	<b>Parent's ultimate holding as on 31<sup>st</sup> March,2010</b>	<b>Financial year ends on</b>
Informed Financial USA Inc	USA	100%	31/12/2009

3. The financial statements are prepared on the following basis:
  - (i) Considering that Financial Statements of the Subsidiary have been prepared under the laws and regulations applicable to the State of Delaware, United States of America, these Consolidated financial statements have been prepared substantially in the same format adopted by the parent to the extent possible, as required by the Accounting Standard AS 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI).
  - (ii) On Consolidation all monetary and non monetary Assets and Liabilities of the Subsidiary have been translated at the exchange rate prevailing on 31<sup>st</sup> December,2009. Income and Expenditure have been translated at the daily average rate of exchange prevailing for the subsidiary's financial year. Translation losses and gains on the above are carried to "Foreign Currency Translation Reserve" for future adjustments. Foreign Exchange rates so applied are adjusted for any subsequent material fluctuations as compared to rates prevailing on 31<sup>st</sup> December 2009.
  - (iii) The financial statements of the Company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book value of like items assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits and losses. The excess or deficit of parent's portion of equity in subsidiary companies over its carrying cost on investments in subsidiary companies, if any, is treated as a capital reserve or goodwill respectively.
  - (iv) No adjustments have been made to the financial statements of the subsidiary on account of diverse accounting policies as the same, being incorporated in USA, have been prepared under the laws and regulations applicable to their country of incorporation and hence not practicable to do so. However, these accounting policies will not materially impact the consolidated financial statements.
4. Notes of these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the Companies. Recognising this purpose, the company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosures. Practical considerations made it desirable to exclude Notes to Financial Statements, which in the opinion of the management, could be better viewed, when referred from the individual Financial Statements. Notes referred to in these financial statements are references to the notes to the independent financial statements of Informed Technologies India Limited.
5. Significant Accounting policies followed by each of the consolidated companies are annexed to their respective financial statements. Due to inherent diversities in the legal and regulatory environment governing accounting principles, the accounting policies would be better understood when referred from the individual financial statements.
6. The Subsidiary has not reported any transactions with related parties. Hence disclosures in this regard are fairly reflected in the Statement of Related Party Transactions annexed to Schedule 17 (iii) to the independent financial statements of Informed Technologies India Limited.
7. Previous year's figures are reclassified and/or regrouped and/or rearranged wherever necessary.
8. Consolidated contingent liability not provided for:  
The Subsidiary has not reported any contingent liabilities which are not provided for and outstanding at the close of their financial year. Hence contingent liabilities not provided for in respect of the parent are representative of the consolidated group and can be directly viewed in Schedule 17 Note (ii) (a) to the independent financial statements of the Parent.

**As per our report of even date attached**

For **M.V.Ghelani & Co.**  
**Chartered Accountants**

**M. V. Ghelani**  
Proprietor

Mumbai, 28<sup>th</sup> May, 2010

**For and on behalf of the Board of Directors**

**Gautam P.Khandelwal**  
Chairman

**Smt.Suelve G.Khandelwal**  
Director

Mumbai,28<sup>th</sup> May, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Amount in Rupees	
	For the year ended 31st March,2010 Rs.	For the year ended 31st March,2009 Rs.
<b>Cash From Operating Activities</b>		
Net Profit/(Loss) before tax and prior period items	28,982,142	25,449,394
Adjustments for :		
Depreciation	1,407,877	1,383,163
Fixed Assets (w/off)	918,428	
Interest Expenses	117,321	-
Dividend Income	(1,136,128)	(1,836,389)
Interest Income	(20,280)	(15,713)
Exchange diff on translation of foreign currency	(39,615)	287,813
Profit on redemption of Investments	(4,565,721)	(3,574)
Foreign Exchange Loss/(Gain)	267,359	(92,536)
Dimunision in value of investments	79,023	-
	<u>(2,971,736)</u>	<u>(277,236)</u>
<b>Operating Profit before working capital changes</b>	<b>26,010,406</b>	<b>25,172,158</b>
<b>Adjustment for</b>		
Trade Receivables	724,005	595,153
Loans and Advances	-	-
Other Current Assets	(6,054,991)	(4,198,480)
Trade Payables	<u>7,185,509</u>	<u>6,257,500</u>
<b>Cash generated from Operations</b>	<b>27,864,929</b>	<b>27,826,331</b>
<b>Cash Flow before Prior Period Adjustments &amp; Extra Ordinary Items</b>	<b>27,864,929</b>	<b>27,826,331</b>
<b>Prior period adjustment and extraordinary item</b>		
Proposed dividend	(4,169,100)	(4,169,100)
Dividend distribution tax	(708,539)	(708,539)
Income tax	<u>(6,253,820)</u>	<u>(4,881,119)</u>
<b>Net cash from Operating Activities (A)</b>	<b>16,733,469</b>	<b>18,067,573</b>
<b>Cash From Investing Activities</b>		
Purchase of Fixed Assets	(2,052,884)	(70,180)
Purchase of Investments	(75,162,069)	(21,135,868)
Dividend Income	1,136,128	1,836,389
Sale of Investment	58,503,695	1,500,000
Interest Income	<u>20,280</u>	<u>15,713</u>
<b>Net cash from Investing Activities (B)</b>	<b>(17,554,850)</b>	<b>(17,853,946)</b>
<b>Cash Flow From Financing Activities</b>		
Interest Paid	(117,321)	-
Proceeds from Secured Loan	1,315,548	-
Repayment of Loan	<u>(236,994)</u>	<u>-</u>
<b>Net Cash Provided by/(Used in) Financing Activities (C)</b>	<b>961,233</b>	<b>-</b>
	<u>961,233</u>	
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>139,853</b>	<b>213,628</b>
<b>Cash &amp; Cash Equivalent at the Beginning of the Period</b>	<b>1,747,945</b>	<b>1,534,317</b>
<b>Cash &amp; Cash Equivalent at the end of the Period</b>	<b>1,887,798</b>	<b>1,747,945</b>

For **M.V.Ghelani & Co.**  
Chartered Accountants

For and on behalf of the board  
**Gautam P. Khandelwal**  
Chairman

**M. V. Ghelani**  
Proprietor

**Smt.Suelve G. Khandelwal**  
Director

Mumbai, 28th May,2010

Mumbai, 28th May,2010

AUDITOR'S CERTIFICATE

To,  
The Board of Directors  
Informed Technologies India Limited  
"Nirmal", 20th Floor, Nariman Point, Mumbai - 400 021.  
We have examined the attached Consolidated Cash Flow Statement of Informed Technologies India Limited for the year ended 31st March, 2010. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchange and is based on and is derived from and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For **M.V. Ghelani & Co.**,  
Chartered Accountants

**M.V. Ghelani**  
Proprietor  
Mumbai, 28th May,2010



**Accountant's Compilation Report**

To,  
The Stockholders  
Informed Financial U.S.A, Inc,  
2500 Plaza V, Harborside Financial Center  
Jersey City, NJ 07311

We have compiled the accompanying balance sheet of Informed Financial USA, Inc(a corporation) as of December 31, 2009 and the related statement of income and retained earnings for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A Compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

The Members have elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Pandya, Kapadia & Associates, CPA, P.A  
March 6, 2010.

<b>INFORMED FINANCIAL USA, INC.</b>		
<b>BALANCE SHEET AS ON DECEMBER 31, 2009</b>		
<b>Particulars</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>Amount</b>	<b>Amount</b>
	<b>(in \$)</b>	<b>(in \$)</b>
<b>ASSETS</b>		
Current Assets:		
Cash in Bank & Cash Equivalents	3645	136
Accounts Receivable	14200	27200
Total Current Assets	<u>17845</u>	<u>27336</u>
Other Assets:		
Deposits	-	4303
Total Assets	<u><u>17845</u></u>	<u><u>31639</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
Current Liabilities:		
Accrued Expenses	<u>7754</u>	<u>8845</u>
Total Current Liabilities	<u>7754</u>	<u>8845</u>
Stockholders Equity		
Capital Stock	5000	5000
Retained Earnings	<u>5091</u>	<u>17794</u>
Total Stockholders' Equity	<u>10091</u>	<u>22794</u>
Total Liabilities & Members' Equity	<u><u>17845</u></u>	<u><u>31639</u></u>

<b>INFORMED FINANCIAL USA, INC.</b>		
<b>STATEMENT OF INCOME &amp; RETAINED EARNINGS</b>		
<b>FOR THE YEAR ENDED ON DECEMBER 31, 2009</b>		
<b>Particulars</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>Amount</b>	<b>Amount</b>
	<b>(in \$)</b>	<b>(in \$)</b>
<b>Income</b>		
Service Revenue	33000	71000
<b>Operating Expenses:</b>		
Salaries	-	22606
Payroll Taxes	-	2532
Bank Charges	408	174
Consulting Fees	30000	29167
Legal Fees	330	975
Professional Fees	-	3375
Membership and Seminars	-	1776
Travel	611	1652
Insurance	-	492
Office supplies and Expenses	-	254
Rent	11511	18208
Telephone	-	649
Payroll Service Fees	-	498
Accounting Fees	1000	-
License and Fees	<u>499</u>	<u>-</u>
Total Operating Expenses	<u>44359</u>	<u>82358</u>
Net Income before Taxes	<u>-11359</u>	<u>-11358</u>
Less: Taxes	1344	870
Net Income after Taxes	<u><u>-12703</u></u>	<u><u>-12228</u></u>





Date:

To,  
Sharepro Services (India) Private Limited,  
13AB, Samhita Warehousing Complex,  
Second Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri Kurla Road,  
Sakinaka, Andheri(East),  
Mumbai-400072.

**FORM FOR ECS MANDATE/BANK MANDATE**

(Not required to be filled by shareholders holding shares in dematerialized form)

I/We, \_\_\_\_\_ do hereby authorize Informed Technologies India Limited to:

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Services(ECS)-ECS Mandate\*
- Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me-Bank Mandate\*

(\*Strike out whichever is not applicable)

FOLIO NO. \_\_\_\_\_

A. Bank Name	:	
B. Branch	:	
C. Bank Address	:	
D. Bank Account Number	:	
E: Account Type (Saving/Current)	:	
F: 9 Digit Code (MICR) number of the Bank & Branch as appearing on the cheque (For ECS Mandate only) <b>(PLEASE ATTACH PHOTO COPY OF THE CANCELLED CHEQUE)</b>	:	
G: STD code & Telephone no. of Member (optional)	:	

I/We shall not hold the Company responsible if the ECS/Bank Mandate could not be implemented for reasons beyond the control of the Company.

\_\_\_\_\_  
Signature of shareholder(s)  
(As per specimen lodged with the Company)



# INFORMED TECHNOLOGIES INDIA LIMITED

Registered Office : 'Nirmal', 20<sup>th</sup> Floor, Nariman Point, Mumbai – 400 021

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Regd. Folio No:

No. of Shares Held:

\*DP ID:

\*Client ID:

NAME & ADDRESS OF THE MEMBER/PROXY

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I hereby record my presence at the 52<sup>nd</sup> Annual General Meeting of the Company to be held at the Sunflower II, MVIRDC, World Trade Centre, Centre One, 30<sup>th</sup> Floor, Cuffe Parade, Mumbai-400005, on Friday, September 17, 2010 at 10.30 A.M. (I.S.T)

.....  
(Signature of the Member/ Proxy)

(To be signed at the time of handing over this slip at the Hall and not in advance)

\* Applicable for investors holding shares in Electronic (Demat) Form.

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# INFORMED TECHNOLOGIES INDIA LIMITED

Registered Office : 'Nirmal', 20<sup>th</sup> Floor, Nariman Point, Mumbai – 400 021

## PROXY FORM

Regd. Folio No:

No. of Shares Held:

\*DP ID:

\*Client ID:

I/We \_\_\_\_\_ of \_\_\_\_\_

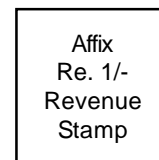
being a Member/Members of Informed Technologies India Limited hereby appoint

\_\_\_\_\_ of \_\_\_\_\_ or failing him/her

\_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us

and on my/our behalf at the 52<sup>nd</sup> Annual General Meeting of the Company to be held at Sunflower II, MVIRDC, World Trade Centre, Centre One, 30<sup>th</sup> Floor, Cuffe Parade, Mumbai-400005, on Friday, September 17, 2010 at 10.30 A.M. (I.S.T) and at any adjournment thereof.

As Witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2010



\_\_\_\_\_  
Signature

NOTE: The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

\* Applicable for investors holding shares in Electronic(Demat) Form.

**Book - Post**

**To**

*If undelivered please return to :*

**Informed Technologies India Limited**

Nirmal, 20th Floor,  
Nariman Point,  
Mumbai - 400 021.

# **INFORMED TECHNOLOGIES INDIA LIMITED**

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**52<sup>nd</sup> ANNUAL REPORT 2009-2010**