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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	Member
Mr. Ajay Kumar Swarup	Member
Mr. Arnold Allen	Member

**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.

**SOFTWARE DEVELOPMENT CENTRE**

Millenium Business Park, 302-304, Bldg. No. 4, Sector No. 3,  
TTC. MIDC, MAHAPE, Vashi, Navi Mumbai.

***REGISTRAR & SHARE TRANSFER AGENTS***

**Sharepro Services (India) Private Limited**

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

Satam Estate, 3<sup>rd</sup> Floor,  
Above Bank of Baroda,  
Cardinal Gracious Road,  
Chakala, Andheri (East),  
Mumbai- 400099.

**NOTICE**

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Members of Informed Technologies India Limited will be held on Thursday, September 25, 2008 at 10.00 A.M at Sunflower II, MVIRDC World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai- 400005 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2008 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gautam Khandelwal, who retires by rotation, and being eligible, offers himself for re-appointment.
3. 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:**

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as 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/ other securities of any body corporate up to a limit not exceeding Rs. 4 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."

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956 (the Act) (including any statutory modification or re-enactment thereof for the time being in force), approval of the Members of the Company is accorded for the appointment of Mrs. Suelve Khandelwal as an Executive Director of the Company for a period of 5 years with effect from 1st August, 2008 upon the terms and conditions including the remuneration as set out in Explanatory Statement attached to this Notice.

RESOLVED FURTHER THAT Mrs. Suelve Khandelwal, Executive Director shall work under the superintendence, control and direction of the Board of Directors.

RESOLVED FURTHER THAT total remuneration payable to Mrs. Suelve Khandelwal, Executive Director, in any Financial Year shall not exceed the limits specified in Section 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the term and conditions of appointment and remuneration in accordance with the limits specified in Section 309 read with Schedule XIII to the Companies Act, 1956 or any amendments thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required."

**For and on behalf of the Board**

**Gautam Khandelwal  
Chairman**

**Place: Mumbai**

**Date: June 27, 2008**

**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 22, 2008 to September 25, 2008 (both days inclusive).
4. 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 2008-09.
5. Members requiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready, replies will be provided only at the meeting.
6. 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.
7. 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: June 27, 2008**

#### **EXPLANATORY STATEMENT**

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

##### **Item No. 4**

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 4 Crore in any body corporate by way of subscription and/or purchase of equity/equity related/other securities from time to time.

Your Directors commend 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. 5**

Mrs. Suelve Khandelwal was appointed as an Additional Director of the Company by the Board of Directors on 30th July, 1999 and appointed as Director of the Company by the Members of the Company in their Annual General Meeting held on 30th September, 1999. She is advising and assisting the management in financial and corporate matters. Your Directors feel that service of Mrs. Suelve Khandelwal will add substantial value to the operations of the Company.

The Board of Directors of the Company at their meeting held on 29th July, 2008 appointed Mrs. Suelve Khandelwal as an Executive Director for the period of 5 years from 1st August, 2008, subject to the consent of the members of the Company on the following terms and conditions:

1. Basic Salary: Rs. 50,000 per month as per Part A of Clause 1 of Section II of Part II of Schedule XIII of the Act.
2. Commission is any financial year not exceeding 2% of the next profit of the company, computed in the manner referred to under section 198(1) of the Companies Act, 1956 or any statutory modification (s) or re-enactment thereof, as the BOD of the company shall decide having regard to the performance of the company.
3. The Contribution to Provident Fund and gratuity fund would not be included in the computation of ceiling on remuneration to the extent these singly or put together are not taxable under the Income-tax Act, 1961.
4. Provision for car, telephone etc. used for Company's business would not be considered as perquisites.

Your Directors commend the resolutions for your approval. None of the Directors of the Company except, Mrs. Suelve Khandelwal and Mr. Gautam Khandelwal, are concerned or interested in the said resolution.

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

**Gautam P. Khandelwal  
Chairman**

**Place : Mumbai  
Date : June 27, 2008**

**Directors' Report**

To,  
The Members,  
Your Directors have pleasure in presenting the Fiftieth Annual Report together with the Audited Statements of Accounts of the Company for the Financial Year ended March 31, 2008.

**Financial Highlights**

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

	(Rs. in Lakhs)	
	2007-08	2006-07
Sales & Other Income	454.93	498.88
Profit/(Loss) before Interest, Depreciation & Tax	182.04	207.41
Less: Interest	-	0.44
Profit/(Loss) before Depreciation & Tax	182.04	206.97
Less: Depreciation	12.99	12.10
Profit/(Loss) before Tax	169.05	194.87
Less: Prior Year Tax Adjustments	-	0.74
Provision for Taxation	34.41	0.91
Profit/(Loss) after Tax	134.64	193.22
Less: Prior Period Item/ Extra-ordinary Items	1.03	-
Profit/(Loss) for the period	133.61	193.22
Balance brought forward from last year	(38.48)	(231.70)
Balance transferred to Balance sheet	95.13	(38.48)

**Review of Operations**

During the year under review Company continued to carry out its Business Process Outsourcing contracts with clients in USA. The total income of the Company is Rs 454.93 Lakhs in 2008 compared to Rs 498.88 Lakhs in 2007.

**Dividend**

In order to conserve resources and augment funds for future developmental activities the Directors do not recommend any dividend.

**Future outlook**

The Company is developing skills in its area of operation and striving to establish a long term relationship with established and reputed corporations in the US market.

**Directors**

Mr. Gautam Khandelwal 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.

**Subsidiary company**

Company's wholly owned subsidiary company Informed Financials USA Inc is engaged in promoting company's business in U.S.A and its operations have been satisfactory. A statement pursuant to section 212(3) of the Companies Act, is annexed to this report.

**Consolidated Financial Statements:**

In accordance with Accounting Standard 21 – Consolidated Financial Statements, the consolidated financial statement presented by the Company includes the financial information of Company's wholly owned subsidiary company, Informed Financials USA, Inc.

**Auditors**

The Auditors, M/s. M. V. Ghelani & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, offer themselves 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 2008-09.

The observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments.

**Public Deposit**

The Company has not accepted any fixed deposit during the year within the meaning of Section 58-A of the Companies Act, 1956 and the rules made there under.

**Employees**

Relations between the employees and the management remained cordial during the year under review. Your Directors wish to place on record their appreciation of the contribution made by the Employees at all levels.

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) Research and Development (R & D): The Company has not undertaken any R&D activity in the current year.
- (c) Technology Absorption: The Company has not imported any technology during the year.
- (d) Foreign Exchange earnings and outgo: During the year under review, the foreign Exchange outgo was Rs 74.44 Lakhs (Previous year – Rs 71.37 Lakhs). The Foreign exchange earning was Rs. 296.23 Lakhs (Previous year –Rs 407.76 Lakhs).

**Directors' Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of your Company confirm 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, 2008 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.

**Management Discussion and Analysis Report**

In terms of Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, the Management Discussion and Analysis report of the Company for the year under review is attached and forms part of this Report.

**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.

**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 of Directors**

**Gautam P. Khandelwal  
Chairman**

**Place : Mumbai**

**Date : June 27, 2008**

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**Management Discussions and analysis Report****Business Review & Development**

The Company is operating as IT enabled, knowledge based Back Office Processing Centre.

The Company currently 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 a 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 also helps in enhanced expertise and domain knowledge.

The future development of the Company will be expansion into International (non USA) data and reports.

The Company operates its data processing center out of Millennium Business Park in Mahape, Software Technology Park, Navi Mumbai.

**Industry Review**

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 the emergence and continuing growth of the Internet as an immediate channel for dissemination of content will continue to drive the business in which the Company is engaged.

However the appreciation of the Rupee against the dollar and spiraling costs of real estate, manpower and meltdown of US economy and financial market pose a challenge to the competitiveness of the Industry.

The 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.

**Financial Performance / Overview of Operations:**

During the year under review Company continued to carry out its Business Process Outsourcing contracts with clients in USA. The total income of the Company is Rs 454.93 Lakhs in 2008 compared to Rs 498.88 Lakhs in 2007.

The Company has developed the expertise in the said field and is hopeful of capitalizing the same by striking new business deals in the USA. It has already initiated dialogue with the prospective customers. This will help in increasing the performance of the Company.

**Note on Subsidiary:**

The Company has one wholly owned US subsidiary Informed Financial USA, Inc. The gist of the financial performance of the subsidiary is contained in the report.

**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.

**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 the 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.

**Cautionary Statement**

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.

**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:**

**Composition of the Board of Directors:**

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

**Other provisions of the Board:**

**a) Meeting 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 2007-08, Six (6) Board meetings were held. The Board meetings were held on April 20,2007, June 28, 2007, July 27, 2007, October 30, 2007, January 30,2008 and March 25, 2008.

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	2	No
4.	Mr. Arnold Allen	2	No

**b) 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	Two	Six	One	One
Mrs. Suelve Khandelwal	Executive	Nil	Three	Nil	Nil
Mr. Ajay Kumar Swarup	Independent	Three	Six	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.

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

The details of the Director retiring by rotation, eligible and offers himself for re-appointment at the ensuing Annual General Meeting, as required under Clause 49 of the Listing Agreement:

Mr. Gautam Khandelwal, aged 46 years holding Bachelor's Degree in Economics from the University of Mumbai and studied Economics from London School of Economics. He is having around 20 years of business experience across various industries. He is also on Board of Punjab National Bank, Nagpur Power & Industries Limited, Globus Spirits Limited, Magnachem Pharmaceuticals Private Limited, Khandelwal Remedies Private Limited, Zeppelin Investments Private Limited and Khandelwals Limited, London.

Mrs. Suelve Khandelwal, aged 44 years is Bachelor of Commerce from the university of Delhi. She is advising and assisting the management in financial and corporate matters. She is also on Board of Magnachem Pharmaceuticals Private Limited, Khandelwal Remedies Private Limited, Zeppelin Investments Private Limited and Khandelwals Limited, London.

**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 CEO of the Company has given the certificate given as an Annexure to this report as per the requirement of Clause 49 of the Listing Agreement.

**3. Audit Committee:**

The Audit Committee of the Company comprise of three members of the Board of the Company under the Chairpersonship of Mrs. Suelve Khandelwal. The other members are Mr. Gautam Khandelwal, and Mr. Ajay Kumar Swarup. The members of the Committee have the relevant experience in the field of finance, banking and accounting.

**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 polices 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 five times during the year under review. The said meetings were held on April 20, 2007, June 28, 2007, July 27, 2007, October 30, 2007, January 30, 2008 and March 25, 2008.

Name of Director	No. of Meetings	
	Held	Attended
Mr. Gautam Khandelwal	6	6
Mrs. Suelve Khandelwal	6	6
Mr. Ajay Kumar Swarup	6	3

**4. Remuneration Committee**

The Company constituted the Remuneration Committee comprising of Mr. Gautam Khandelwal is Chairman of the company, Mr. Ajay Kumar Swarup, member and Mr. Arnold Allen as member at their meeting held on April 3, 2008 to determine the Remuneration Policy for the Directors of the Company.

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

The Committee comprise of Mr. Gautam Khandelwal and Mrs. Suelve Khandelwal. Mr. Gautam P. Khandelwal heads the committee. During the year, the Committee met from time to time to approve transfers and to review the shareholders correspondence including the complaints received from the shareholders and their redressal.

**6. General Body Meetings:**

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

Financial Year	Date, Time and Venue
2004-2005	September 29, 2005 at 11.00 A.M The Sunflower Suite I & II, MVIRDC, World Trade Centre, Centre One, 30 <sup>th</sup> Floor, Cuffe Parade, Mumbai-400005.
2005-2006	September 29, 2006 at 11.00 A.M Seminar I & II, MVIRDC World Trade Centre, Centre One, 31 <sup>st</sup> Floor, Cuffe Parade, Mumbai-400005.
2006-2007	September 28, 2007 at 11.00 A.M Seminar II, MVIRDC World Trade Centre, Centre One, 31 <sup>st</sup> Floor, Cuffe Parade, Mumbai-400005.

All resolutions moved at the last AGM were passed unanimously on a show of hands by the shareholders present at the meeting. No special Resolution was put through postal ballot last year.

**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, 2008. 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 not adopted any of the Non-Mandatory requirement.

**8. Means of communication**

- The quarterly un-audited results are published in accordance with the requirement of the Listing Agreement.
- Newspapers in which results are normally published: Free Press Journal and Navshakti.
- Annual audited financial results were published in national and local dailies. These are not sent individually to the shareholders. No presentations were made to international investors or to the analysts.

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

(a) Annual General Meeting:

- Date : September 25, 2008
- Time : 10.00 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, 2008 to March 31, 2009):

- First quarter results : July, 2008
- Second quarter results : October, 2008
- Third quarter results : January, 2009
- Fourth quarter and Annual results : June, 2009
- Annual General Meeting : September 2009

(c) Date of Book closure : September 22, 2008 to September 25, 2008 (both days inclusive)

(d) Listing on Stock Exchange and Stock Code:

Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai - 400023.  
BSE Stock code: 504810

(e) ISIN Number : INE123E01014 – NSDL & CDSL

(f) Market Price Data:

High/Low price and volume of the Company's shares at BSE during each month in Financial Year 2007-08 is as follows:

Month	High (Rs.)	Low(Rs.)	Volume (shares)
April-2007	37.95	32.65	1031
May-2007	32.55	32.00	855
June-2007	32.00	32.00	100
July-2007	31.95	22.00	6931
August-2007	63.45	25.35	12458
September-2007	73.35	60.40	6885
October-2007	65.90	54.10	785
November-2007	53.90	52.00	125
December-2007	51.25	33.75	4738
January-2008	55.00	42.70	14971
February-2008	51.85	48.90	5
March-2008	47.70	45.35	6

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

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

Satam Estate, 3<sup>rd</sup> Floor, and  
Above Bank of Baroda,  
Cardinal Gracious Road,  
Chakala, Andheri (West),  
Mumbai-400099 and

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

**(h) 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.

**(i) Distribution of Shareholding as on March 31, 2008 is as under:**

No. of shares	No. of Shareholders	%	No. of Shares	%
Upto 500	3373	95.28	369277	8.86
501-1000	99	2.80	72846	1.74
1001-2000	33	0.93	45918	1.10
2001-3000	10	0.28	23080	0.56
3001-4000	4	0.11	13736	0.33
4001-5000	2	0.06	9010	0.21
5001-10000	5	0.14	32064	0.77
10001 and above	14	0.40	3603169	86.43
<b>Total</b>	<b>3540</b>	<b>100</b>	<b>4169100</b>	<b>100</b>

**(j) Shareholding Pattern:**

Shareholding pattern as on March 31, 2008

Sr. No.	Category	No. of Shares held	% of Shareholding
1	Indian Promoters	504061	12.08
2	Foreign Promoters	2678220	64.24
4	Mutual Funds/UTI	60	0.00
5	Financial Institutions /Banks	1090	0.03
6	Insurance Companies	386110	9.26
6	Private Bodies Corporates	32736	0.79
7	Indian Public	564423	13.54
8	NRIs/OCBs	2400	0.06
	<b>Total</b>	<b>4169100</b>	<b>100</b>

**(k) Dematerialization of shares as on March 31, 2008**

Particulars	No. of shares	% to Capital
Dematted		
National Securities Depository Limited	2140696	51.35
Central Depository Securities Limited	28744	0.69
Physical	1999660	47.96
<b>Total</b>	<b>4169100</b>	<b>100.00</b>

**(l) Outstanding GDR's/ADR's/Warrants 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.

**(m) Plant Location:**

The Business Processing Outsourcing operations are carried out from Millennium Business park, Unit No. 302-304, Building No. 4, Sector 3, TTC, MIDC, Mahape, Navi Mumbai.

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

Mr. Gautam P. Khandelwal

**(o) Address for correspondence:**

The Compliance Officer  
The Informed Technologies India Limited  
Nirmal, 20<sup>th</sup> Floor, Nariman Point, Mumbai-400021

**(p) 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 with the Code of Conduct and Ethics in respect of Financial Year 2007-08.

For Nagpur Power & Industries Limited

Gautam P. Khandelwal  
Chairman

Date: June 27, 2008

Place: Mumbai

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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 the conditions of Corporate Governance by Informed Technologies India Limited, for the year ended 31<sup>st</sup> March 2008, 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 the compliance with 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 the Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

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

**M.V.Ghelani**  
Proprietor

Date: June 27, 2008

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 March 31, 2008 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, 2008, 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, 2008 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 March 31, 2008
    - (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**

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

**Place : Mumbai**

**Dated : 27<sup>th</sup> June 2008**

**ANNEXURE TO THE AUDITORS' REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2008**

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, 2008

1.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets of the Company have not been physically verified during the year.
  - (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) An unsecured loan (including advances) were 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) According to the information and explanations given to us, in the opinion of the management it has been considered doubtful of recovery and hence the company has made a provision for doubtful debts in an earlier year in respect of the loan. 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) For reasons stated above, we are not in a position to comment on the overdue amount, if any.
  - (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 the Provident Fund. In the opinion of the Company, the provisions of the Employees State Insurance Act, 1948 is not applicable to the Company. The Company is regular in depositing with appropriate authorities, other Undisputed statutory dues including Income Tax, Wealth Tax, cess and other material statutory dues applicable to it.
  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**

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

**Place : Mumbai**

**Dated : 27<sup>th</sup> June 2008**

**BALANCE SHEET AS AT 31ST MARCH, 2008**

Schedule	As at 31st March, 2008		As at 31st March, 2007	
	Rupees	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	9,513,017		(3,848,323)
<b>Total</b>		<u>51,204,017</u>		<u>37,842,677</u>
<b>II. APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	3	46,010,530	44,548,479	
Less : Depreciation		<u>11,894,156</u>	<u>10,595,332</u>	
Net Block		34,116,374		33,953,147
<b>Investments</b>	4	20,479,561		1,869,421
<b>Current Assets, Loans and Advances</b>				
Sundry Debtors	5	3,361,739	7,950,735	
Cash and Bank Balances	6	1,276,892	2,670,505	
Other Current Assets, Loans and Advances	7	8,786,798	7,084,740	
		<u>13,425,429</u>	<u>17,705,980</u>	
<b>Less : Current Liabilities and Provisions</b>				
Liabilities	8	12,860,240	15,086,179	
Provisions	9	3,957,107	599,693	
		<u>16,817,347</u>	<u>15,685,872</u>	
<b>Net Current Assets</b>		<u>(3,391,918)</u>		2,020,109
<b>Total</b>		<u>51,204,017</u>		<u>37,842,677</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 : 27<sup>th</sup> June, 2008

**For and on behalf of the board**

**Gautam P. Khandelwal**  
Chairman

**Smt. Suelve G. Khandelwal**  
Director

Mumbai : 27<sup>th</sup> June, 2008

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	Schedule	Year ended 31st March, 2008 Rupees	Year ended 31st March, 2007 Rupees
<b>I. INCOME</b>			
Sales and Services	10	29,623,577	40,776,342
Other Income	11	15,868,811	9,111,563
<b>TOTAL INCOME</b>	<b>A</b>	<b>45,492,388</b>	<b>49,887,905</b>
<b>II. EXPENDITURE</b>			
Payments to and provision for employees	12	9,613,416	8,876,921
Operating expenses	13	11,528,185	11,410,991
Administrative and other expenses	14	6,146,713	8,859,009
<b>TOTAL EXPENDITURE</b>	<b>B</b>	<b>27,288,313</b>	<b>29,146,921</b>
<b>Profit/ (Loss) Before interest and depreciation</b>	<b>A-B</b>	<b>18,204,075</b>	<b>20,740,984</b>
Interest	15	-	44,178
Depreciation		1,298,824	1,209,638
<b>Profit/ (Loss) before taxation</b>		<b>16,905,251</b>	<b>19,487,168</b>
<b>Payment and Provision for Taxation</b>			
- Current Tax		3,400,000	-
- Deferred Tax		-	-
- Fringe Benefit Tax		41,000	91,000
- Adjustment of Previous year		-	74,147
<b>Profit for the year before prior period item</b>		<b>13,464,251</b>	<b>19,322,021</b>
Prior period item	16	102,911	-
<b>Profit after taxation and prior period item</b>		<b>13,361,340</b>	<b>19,322,021</b>
<b>Add: Loss brought forward from previous year</b>		<b>(3,848,323)</b>	<b>(23,170,344)</b>
<b>Balance of Profit &amp; Loss A/c carried to Balance Sheet</b>		<b>9,513,017</b>	<b>(3,848,323)</b>
Earning Per Share (Basic & Diluted)		3.205	4.635
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 : 27<sup>th</sup> June, 2008

**For and on behalf of the board**

**Gautam P. Khandelwal**  
Chairman

**Smt. Suelve G. Khandelwal**  
Director

Mumbai : 27<sup>th</sup> June, 2008



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008**

	As at 31st March,2008 Rupees	As at 31st March,2007 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	5,000,000	5,000,000
	<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	41,691,000	41,691,000
	<u>41,691,000</u>	<u>41,691,000</u>

**NOTES :**

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.

**Schedule 2 - Reserves & Surplus**

Profit & Loss Account	9,513,017	(3,848,323)
<b>Total</b>	<u>9,513,017</u>	<u>(3,848,323)</u>

**Schedule 3 - Fixed Assets**

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2007	Additions during the year	Deletions adjustments during the year	Cost As at 31.3.2008	Upto 31.03.2007	For the year	Adjustments on deduction transfer	Upto 31.3.2008	As at 31.3.2008	As at 31.3.2007
Buildings (Refer notes 1 & 2)	32,537,152		-	32,537,152	3,856,732	530,358	-	4,387,090	28,150,062	28,680,420
Furniture & Fixtures	2,823,972	780,900	-	3,604,872	1,219,443	153,254	-	1,372,698	2,232,174	1,604,529
Electrical Installation	828,863		-	828,863	193,161	39,371	-	232,532	596,331	635,702
Office Equipments	2,382,689	82,606	-	2,465,295	1,468,732	104,168	-	1,572,900	892,395	913,957
Computers including Computer Software	5,975,803	598,544	-	6,574,347	3,857,263	471,674	-	4,328,937	2,245,411	2,118,540
<b>Total</b>	<b>44,548,479</b>	<b>1,462,051</b>	<b>-</b>	<b>46,010,530</b>	<b>10,595,332</b>	<b>1,298,824</b>	<b>-</b>	<b>11,894,156</b>	<b>34,116,374</b>	<b>33,953,147</b>
Previous year	40,044,278	4,504,201	-	44,548,479	9,385,694	1,209,638	-	10,595,332	33,953,147	

**Notes :**

**Buildings Include:**

- (1) 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.19,864,366/- (Previous Year Rs.20,252,626/-)
 The above share certificates are held in the former name Khandelwal Ferro Alloys Ltd.
- (2) 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 have yet to be executed.

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008**

	As at 31st March, 2008 Rupees	As at 31st March, 2007 Rupees
<b>Schedule 4 - Investment</b>		
<b>A. LONG TERM ( At Cost Less permanent diminution in value (if any))</b>		
<b>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
<b>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 : 45) of Rs. 10/- each]	622	622
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	-
Mahinda & Mahindra Financial Services Ltd	23,200	23,200
[116 Equity Shares (Previous year : 116) of Rs. 10/- each]	<u>243,072</u>	<u>243,447</u>
<b>B. CURRENT (At lower of cost or market value)</b>		
<b>In Mutual Funds (Unquoted)</b>		
In Units of SBI Mutual fund		
(1,972,881 Units (Previous year: 1,58,799 Units) of Magnum Insta Cash Fund Liquid Floater Plan-Dividend.	20,236,489	1,625,974
<b>Total</b>	<u>20,479,561</u>	<u>1,869,421</u>
Aggregate Cost of quoted Investments	23,822	24,197
Aggregate Market Value of quoted Investments	33,574	28,841
Aggregate cost of unquoted Investments	20,455,739	1,845,224
<b>Schedule 5 - 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	<u>298,393</u>	<u>298,393</u>
[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.16 (ii) e)		
<b>Total</b>	<u>-</u>	<u>-</u>
<b>Other Debts</b>		
Considered Good	3,361,739	7,950,735
<b>Total</b>	<u>3,361,739</u>	<u>7,950,735</u>
<b>Grand Total</b>	<u>3,361,739</u>	<u>7,950,735</u>
<b>Schedule 6 - Cash and Bank Balances</b>		
Cash in hand	61,200	66,685
Balance with Scheduled Banks		
- In Current Accounts	1,193,192	2,581,320
- In Margin money for issue of bank guarantee	22,500	22,500
<b>Total</b>	<u>1,276,892</u>	<u>2,670,505</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008**

	As at 31st March, 2008 Rupees	As at 31st March, 2007 Rupees
<b>Schedule 7 - Other Current Assets , Loans and Advances</b>		
(Unsecured)		
<b>(a) Considered good</b>		
Loans	-	500,000
Interest Accrued	-	33,750
Deposits	<b>871,628</b>	843,902
Advances recoverable in cash or in kind or for value to be received	<b>334,687</b>	370,645
Prepaid expenses	<b>215,686</b>	124,297
Advance payment of Taxes	<b>6,853,224</b>	5,022,627
Service tax credit	<b>511,573</b>	189,520
<b>Sub Total (a)</b>	<b><u>8,786,798</u></b>	<b><u>7,084,741</u></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)	<b>7,455,954</b>	7,455,954
Less: Provision for Doubtful Advances	<b><u>7,455,954</u></b>	<b><u>7,455,954</u></b>
<b>Sub Total (b)</b>	<b>-</b>	<b>-</b>
<b>Total (a+b)</b>	<b><u>8,786,798</u></b>	<b><u>7,084,741</u></b>
<b>Schedule 8 - Liabilities</b>		
<b>Sundry Creditors</b>		
(I) Dues to Small Scale Industrial Undertakings (Refer Schedule No.16 (ii) g )		
(ii) Others	<b>1,571,314</b>	2,535,900
(iii) Dues to Subsidiary Company	<b>976,625</b>	1,511,001
Security Deposits	<b>7,353,000</b>	7,353,000
Other Liabilities	<b>2,959,301</b>	3,686,277
<b>Total</b>	<b><u>12,860,240</u></b>	<b><u>15,086,178</u></b>
<b>Schedule 9 - Provisions</b>		
Provision for :		
Gratuity	<b>151,415</b>	123,460
Leave Salary	<b>80,384</b>	191,925
Income tax	<b>3,400,000</b>	-
Fringe Benefit Tax	<b>325,308</b>	284,308
<b>Total</b>	<b><u>3,957,107</u></b>	<b><u>599,693</u></b>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2008**

	YEAR ENDED 31st March, 2008 Rupees	YEAR ENDED 31st March, 2007 Rupees
<b>Schedule 10 - Sales and Services</b>		
Data outsourcing charges-BPO	29,623,577	40,776,342
<b>Total</b>	<u>29,623,577</u>	<u>40,776,342</u>

<b>Schedule 11 - Other Income</b>		
Other Interest	203,244	231,704
(Tax deducted at source Rs.6,954/- (Previous year Rs.1,148/-)		
Dividend from Investments	710,218	90,600
Rental/Business Centre Charges	14,900,000	8,668,533
(Tax deducted at source Rs.34,02,439/-(Previous year Rs.23,60,414/-)		
Profit on sale of Investments	761	5,000
Excess provision for gratuity/leave salary w/back	53,600	38,530
Leave salary (Gain)	988	
Sundry Balances written back	-	71,946
Sale of scrap	-	5,250
<b>Total</b>	<u>15,868,811</u>	<u>9,111,563</u>

<b>Schedule 12 - Payments to and Provision for Employees</b>		
Salaries	8,895,767	8,089,893
Contribution to Provident Fund	385,963	325,254
Staff Welfare	331,686	461,774
<b>Total</b>	<u>9,613,416</u>	<u>8,876,921</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2008**

	YEAR ENDED 31st March, 2008 Rupees	YEAR ENDED 31st March, 2007 Rupees
<b>Schedule 13 - Operating Expenses</b>		
Webhosting Charges	175,616	178,482
FTP Hosting charges	595	595
Communication charges	1,571,807	1,195,483
Professional fees	1,015,246	957,594
Membership & Subscription	238,093	29,307
Software expenses	18,028	88,360
Computer Hire charges	789,250	731,240
Computer Maintenance charges	7,360	9,965
Data Processing/Management charges	876,087	1,694,386
Network maintenance charges	123,750	137,975
Business Development fees	6,151,360	6,111,240
Foreign exchange fluctuation	560,993	276,365
<b>Total</b>	<u>11,528,185</u>	<u>11,410,991</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	YEAR ENDED 31st March, 2008 Rupees	YEAR ENDED 31st March, 2007 Rupees
<b>Schedule 14 - Administrative and Other Expenses</b>		
<b>Repairs and Maintenance</b>		
Building Maintenance charges	569,114	1,869,268
Repairs to others	<u>28,864</u>	<u>75,984</u>
	<b>597,978</b>	1,945,252
<b>Auditors remuneration</b>	<b>156,110</b>	127,500
<b>Travelling expenses</b>		
Conveyance	299,195	203,636
Staff Bus charges	1,381,100	1,229,270
Travelling	<u>1,227,425</u>	<u>2,504,269</u>
	<b>2,907,720</b>	3,937,175
<b>Administrative expenses:</b>		
Rent Rates & Taxes	284,259	262,412
Printing & Stationery	70,160	67,270
Insurance Charges	112,851	28,427
Recruitment expenses	169,573	399,969
Electricity Charges	1,335,946	1,195,516
Miscellaneous expenses	512,117	597,096
Provision for doubtful debts/advances (Refer Schedule No.16 (ii) e)	<u>—</u>	<u>298,393</u>
Total	<u><b>6,146,713</b></u>	<u><b>8,859,009</b></u>
<b>Schedule 15 - Interest</b>		
Interest on Unsecured Loan	-	44,178
	<u>-</u>	<u>44,178</u>
<b>Schedule 16- Prior Period Item</b>		
Foreign Exchange Fluctuation	<u>102,911</u>	-
<b>Total</b>	<u><b>102,911</b></u>	<u>-</u>

## Schedule 17

**Significant Accounting Policies and Notes to Accounts Annexed to the Balance Sheet as at March 31,2008 and the Profit and Loss Account for the year ended March 31,2008.****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 values.

**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, 2008 Rupees</b>	<b>As at 31<sup>st</sup> Mar, 2007 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 and unabsorbed depreciation 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 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 supportings 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)/3098 dated 29.03.2000 valid upto 1st December 2007 and the company's application to STPI for extension of approval for 5 years is pending.		

**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.12,63,545/Rs.12,63,545
b)	Informed Financial USA Inc.	
	- Business development fees	Rs.61,51,360
	- Foreign Exchange Fluctuation (Net)	Rs. 82,244

<b>2.</b>	<b>Key Management Personnel</b>	<b>Designation</b>	( In Rupees)
a)	Mr.Gautam Khandelwal	Chairman	Nil
b)	Mrs. Suelve Khandelwal	Director	Nil
c)	Mr. Arnold Allen	Director	Rs.10,000
	Directors sitting fees		
d)	Mrs. Ayesha Patel	Director-India Operations	Rs.15,00,000
	Remuneration paid		

**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, 2008**

		<b>Maximum Outstanding Balance (Rs.)</b>	<b>Receivable (Rs.)</b>	<b>Payable (Rs.)</b>
<b>1</b>	<b>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	15,11,001 (32,54,218)	Nil (Nil)	9,76,625 (15,11,001)
c)	Nagpur Power and Industries Limited	3,22,339 (53,62,010)	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 (6,00,000)	Nil (Nil)	Nil (Nil)

Figures in brackets are related to previous year

		<b>Maximum Outstanding Balance (Rs.)</b>	<b>Receivable (Rs.)</b>	<b>Payable (Rs.)</b>
<b>2.</b>	<b>Key Management Personnel</b>			
a)	Mr.Gautam Khandelwal	Nil (6,00,000 cr)	Nil (Nil)	Nil (Nil)
b)	Mr.Arnold Allen	1,52,339 cr (2,49,733 cr)	Nil (1,02,639)	1,22,340 cr (Nil)
c)	Mrs. Ayesha Patel	3,229 (22,106 cr)	3,229 (Nil)	Nil (Nil)

Figures in brackets are related to previous year

		<b>Maximum Outstanding Balance (Rs.)</b>	<b>Receivable (Rs.)</b>	<b>Payable (Rs.)</b>
<b>3</b>	<b>Relatives of key Management Personnel</b>	Nil	Nil	Nil

<b>iv)</b>	<b>Earnings Per Share:</b>	For the year ended 31 <sup>st</sup> Mar, 2008	For the year ended 31 <sup>st</sup> Mar, 2007
	Profit/(Loss) for the year (Rs.) (A)	133,61,340	193,22,021
	Number of Equity Shares Outstanding (B)	41,69,100	41,69,100
	Earnings per share of Rs.10 each (A/B)	3.20	4.63



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, 2008 Rupees</b>	<b>For the Year ended 31<sup>st</sup> Mar, 2007 Rupees</b>
<b>a) Auditor's Remuneration (excluding Service Tax)</b>		
Audit Fees	55,000	55,000
Taxation matters including tax audit	35,000	30,000
Certification work and other matters	65,253	38,000
Out of pocket expenses	<u>857</u>	<u>4,500</u>
<b>TOTAL</b>	<u>1,56,110</u>	<u>127,500</u>
<b>b) Sales</b>		
Business Process Outsourcing *	<u>2,96,23,577</u>	<u>4,07,76,342</u>
<b>TOTAL</b>	<u>2,96,23,577</u>	<u>4,07,76,342</u>
<b>c) Value of imports calculated on CIF basis during the year</b>		
Components and spares	Nil	Nil
Capital goods	<u>Nil</u>	<u>Nil</u>
<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.

<b>d) Expenditure in Foreign Currency:</b>		
Other matters :		
Foreign Travel	5,64,082	5,78,416
Business Development Fees	61,51,360	54,46,411
Data Processing charges	8,76,087	11,12,582
Legal & Consultancy	<u>67,200</u>	<u>-</u>
<b>TOTAL</b>	<u>74,43,627</u>	<u>71,37,409</u>
<b>e) Earnings in Foreign Exchange :</b>		
Business Process Outsourcing	<u>2,96,23,577</u>	<u>4,07,76,342</u>
<b>TOTAL</b>	<u>2,96,23,577</u>	<u>4,07,76,342</u>
<b>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.</b>		

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

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

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

**Gautam P.Khandelwal**  
Chairman

**M. V. Ghelani**  
Proprietor

**Smt.Suelve G.Khandelwal**  
Director

Mumbai, 27<sup>th</sup> June,2008

Mumbai, 27<sup>th</sup> June,2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Amount in Rupees	
	For the year ended 31st March, 2008	For the year ended 31st March, 2007
	Rs.	Rs.
<b>Cash From Operating Activities</b>		
Net Profit/(Loss) before tax and prior period items	16,905,251	19,487,168
Adjustments for :		
Depreciation	1,298,824	1,209,638
Interest Expenses	-	44,178
Dividend Income	(710,218)	(90,600)
Interest Income	(203,244)	(231,704)
Profit on redemption of Investments	(761)	(5,000)
Foreign Exchange Loss/(Gain)	560,993	276,365
Provision for diminution in value of investments	375	
Sundry Balances Written back	(34,179)	71,946
	<u>911,790</u>	<u>1,274,823</u>
<b>Operating Profit before working capital changes</b>	<b>17,817,042</b>	<b>20,761,991</b>
<b>Adjustment for</b>		
Trade Receivables	4,028,003	(4,533,987)
Loans and Advances	-	-
Other Current Assets	(1,702,058)	(3,222,062)
Trade Payables	<u>1,131,475</u>	<u>(4,720,450)</u>
	<b>3,457,420</b>	<b>(12,476,499)</b>
<b>Cash generated from Operations</b>	<b>21,274,462</b>	<b>8,285,491</b>
<b>Cash Flow before Prior Period Adjustments &amp; Extra Ordinary Items</b>	<b>21,274,462</b>	<b>8,285,491</b>
<b>Prior period adjustment and extraordinary item</b>		
Sundry Balances Written back	34,179	(71,946)
Prior period items	(102,911)	-
Income tax	<u>(3,441,000)</u>	<u>(165,147)</u>
<b>Net cash from Operating Activities (A)</b>	<b>17,764,730</b>	<b>8,048,398</b>
<b>Cash From Investing Activities</b>		
Purchase of Fixed Assets	(1,462,051)	(4,504,201)
Purchase of Investments	(18,610,515)	(1,625,974)
Dividend Income	710,218	90,600
Interest Income	203,244	231,704
Proceeds from Sale of Investments	<u>761</u>	<u>5,000</u>
<b>Net cash from Investing Activities (B)</b>	<b>(19,158,343)</b>	<b>(5,802,872)</b>
<b>Cash Flow From Financing Activities</b>		
Interest Paid	-	(44,178)
Proceeds from Secured Loan	-	(444)
Repayment of Loan	-	-
<b>Net Cash Provided by/(Used in) Financing Activities (C)</b>	<b>-</b>	<b>(44,622)</b>
<b>Net Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,393,613)</b>	<b>2,200,904</b>
<b>Cash &amp; Cash Equivalent at the Beginning of the Period</b>	<b>2,670,505</b>	<b>469,601</b>
<b>Cash &amp; Cash Equivalent at the end of the Period</b>	<b>1,276,892</b>	<b>2,670,505</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: 27<sup>th</sup> June, 2008

Mumbai: 27<sup>th</sup> June, 2008

**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, 2008. 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: 27<sup>th</sup> June, 2008

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	0	8

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

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

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

**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: 27<sup>th</sup> June, 2008

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

**Smt. Suelve G. Khandelwal**  
Director

Mumbai: 27<sup>th</sup> June, 2008

**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		For the previous Financial Years since it became a Subsidiary	
				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	31/12/2007	100 shares of fifty dollar per share i.e. US \$ 5000	100%	428,555	Nil	452,804	Nil

**For and on behalf of the Board**

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

Mumbai: 27th June,2008

**STATEMENT REGARDING SUBSIDIARY COMPANIES**

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, 2007	197,200	1,184,068	1,793,140	1,793,140	6,113,200	507,435	78,880	428,555

Converted into Indian Rupees at the Exchange rate, 1 USD = Rs 39.44 as on 31st Dec 2007.

**For and on behalf of the Board**

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

Mumbai: 27th June,2008

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**REPORT OF THE AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS**

To,  
The Board of Directors of  
Informed Technologies India Limited

We have audited the attached Consolidated Balance Sheet of Informed Technologies India Limited as at 31<sup>st</sup> March, 2008, 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 Informed Technologies India Limited'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 statement. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of the foreign subsidiary viz. Informed Financial USA, Inc, whose Financial Statement reflect total assets of US\$ 45,465 as at 31<sup>st</sup> December 2007 and total revenue of US\$ 1,55,000 for the year ended 31<sup>st</sup> December 2007 have been compiled by an independent firm of Accountants under the laws of the State of Delaware, USA. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, 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, 2008 and on the basis of the separate audited financial statements of Informed Technologies India Limited and its subsidiaries included in the consolidated financial statements.

Based on our audit and, on consideration of the report of other auditor on separate financial statements and the other financial information of the subsidiary, and to the best of our information and according to the explanations given to us, we are of the opinion that:

- a) The Consolidated Balance Sheet read together with notes thereon, gives a true and fair view of the consolidated state of affairs of Informed Technologies India Limited and its subsidiary as at 31<sup>st</sup> March, 2008; and
- b) the Consolidated Profit and Loss account read together with notes thereon, gives a true and fair view of the consolidated results of operations of Informed Technologies India Limited and its subsidiary for the year then ended.
- c) the Consolidated Cash Flows statement, gives a true and fair view of the consolidated cash flows of Informed Technologies India Limited and its subsidiary for the year ended on that date.

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

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

**Place : Mumbai**  
**Dated : 27<sup>th</sup> June 2008**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

	Schedule	As at 31st March, 2008 Rupees	As at 31st March, 2007 Rupees
<b>I. SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	41,691,000	41,691,000
Reserves and Surplus	2	10,675,032	(3,001,810)
<b>Total</b>		<b>52,366,032</b>	<b>38,689,190</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	3	46,010,530	44,548,479
Less : Depreciation		11,894,156	10,595,332
Net Block		34,116,374	33,953,147
<b>Investments</b>	4	<b>20,260,311</b>	1,650,171
<b>Current Assets, Loans and Advances</b>			
Sundry Debtors	5	3,655,079	7,950,735
Cash and Bank Balances	6	1,534,317	3,281,302
Other Current Assets, Loans and Advances	7	9,052,545	7,288,619
		14,241,941	18,520,656
<b>Less : Current Liabilities and Provisions</b>			
Liabilities	8	12,295,487	14,835,091
Provisions	9	3,957,107	599,693
		16,252,594	15,434,784
<b>Net Current Assets</b>		<b>(2,010,653)</b>	3,085,872
<b>Total</b>		<b>52,366,032</b>	<b>38,689,190</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 : 27<sup>th</sup> June, 2008

**For and on behalf of the board**

**Gautam P. Khandelwal**  
Chairman

**Smt. Suelve G. Khandelwal**  
Director

Mumbai : 27<sup>th</sup> June, 2008

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	Schedule	Year ended 31st March, 2008 Rupees	Year ended 31st March, 2007 Rupees
<b>I. INCOME</b>			
Sales and Services	10	29,882,550	41,042,318
Other Income	11	15,868,811	9,111,563
<b>TOTAL INCOME</b>	<b>A</b>	<b>45,751,361</b>	<b>50,153,881</b>
<b>II. EXPENDITURE</b>			
Payment to and provision for employees	12	12,838,641	12,054,766
Operating expenses	13	5,690,807	5,691,896
Administrative and other expenses	14	8,485,740	11,110,492
<b>TOTAL EXPENDITURE</b>	<b>B</b>	<b>27,015,188</b>	<b>28,857,154</b>
<b>Profit/ (Loss) Before interest and depreciation</b>	<b>A-B</b>	<b>18,736,172</b>	<b>21,296,727</b>
Interest	15	-	44,178
Depreciation		1,298,824	1,209,638
<b>Profit/ (Loss) before taxation.</b>		<b>17,437,348</b>	<b>20,042,912</b>
<b>Payment and provision for Taxation</b>			
- Current Tax		3,482,714	90,638
- Deferred Tax		-	-
- Fringe Benefit Tax		41,000	91,000
- Adjustment of Previous year		-	74,147
<b>Profit for the year before prior period item</b>		<b>13,913,634</b>	<b>19,787,127</b>
Prior period item	16	102,911	-
<b>Profit after taxation and prior period item</b>		<b>13,810,723</b>	<b>19,787,127</b>
<b>Add: Loss brought forward from previous year</b>		<b>(2,982,586)</b>	<b>(22,769,714)</b>
<b>Balance of Profit &amp; Loss A/c carried to Balance Sheet</b>		<b>10,828,137</b>	<b>(2,982,586)</b>
Earning Per Share (Basic & Diluted)		3.313	6.142
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 : 27<sup>th</sup> June, 2008

**For and on behalf of the board**

**Gautam P. Khandelwal**  
Chairman

**Smt. Suelve G. Khandelwal**  
Director

Mumbai : 27<sup>th</sup> June, 2008

**CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008**

		As at 31st March, 2008 Rupees	As at 31st March, 2007 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>

**NOTES :**

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.

**Schedule 2 - Reserves and Surplus**

Foreign Currency Translation Reserve on Consolidation

Opening balance	<b>(19,224)</b>	-	6,000
Add : Foreign Currency Translation for the year	<b>(133,880)</b>	<b>(153,104)</b>	<u>(25,224)</u>
		<b>(153,104)</b>	<u>(19,224)</u>
Profit and Loss Account		<b>10,828,137</b>	<u>(2,982,586)</u>
<b>Total</b>		<u><b>10,675,033</b></u>	<u><b>(3,001,810)</b></u>



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

**Schedule 3 - Fixed Assets**

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2007	Additions during the year	Deletions/ adjustments during the year	Cost As at 31.3.2008	Upto 31.03.2007	For the year	Adjustments on deduction transfer	Upto 31.3.2008	As at 31.3.2008	As at 31.3.2007
Buildings (Refer notes 1 & 2)	32,537,152		-	32,537,152	3,856,732	530,358	-	4,387,090	28,150,062	28,680,420
Furniture & Fixtures	2,823,972	780,900	-	3,604,872	1,219,443	153,254	-	1,372,698	2,232,174	1,604,529
Electrical Installation	828,863		-	828,863	193,161	39,371	-	232,532	596,331	635,702
Office Equipments	2,382,689	82,606	-	2,465,295	1,468,732	104,168	-	1,572,900	892,395	913,957
Computers including Computer Software	5,975,803	598,544	-	6,574,347	3,857,263	471,674	-	4,328,937	2,245,411	2,118,540
<b>Total</b>	<b>44,548,479</b>	<b>1,462,051</b>	<b>-</b>	<b>46,010,530</b>	<b>10,595,332</b>	<b>1,298,824</b>	<b>-</b>	<b>11,894,156</b>	<b>34,116,374</b>	<b>33,953,147</b>
Previous year	40,044,278	4,504,201	-	44,548,479	9,385,694	1,209,638	-	10,595,332	33,953,147	

**Notes :**

**Buildings Include:**

- (1) 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.19,864,366/- (Previous Year Rs.20,252,626/-)  
 The above share certificates are held in the former name Khandelwal Ferro Alloys Ltd.
- (2) 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 have yet to be executed.

	As at 31st March,2008 Rupees	As at 31st March,2007 Rupees
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**Schedule 4 - Investments**

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

**Non Trade**

**Fully paid-up Equity Shares ( Quoted )**

Zenith Birla (India) Limited (Formerly Known as Zenith Ltd.) [18 Equity shares (Previous year :45) of Rs 10 each )	<b>622</b>	622
Gujarat Steel Tubes Limited [180 Equity Shares (Previous year : 180) of Rs. 10/- each]	<b>375</b>	375
Less: Provision for diminution in value of investments	<b>375</b>	-
Mahinda & Mahindra Financial Services Ltd [116 Equity Shares (Previous year : 116) of Rs. 10/- each]	<b>23,200</b>	23,200
	<b>23,822</b>	23,200

**B. CURRENT (At lower of cost or market value)**

**In Mutual Funds (Unquoted)**

In Units of SBI Mutual fund (1,972,881 Units (Previous year: 1,58,799 Units) of Magnum Insta Cash Fund Liquid Floater Plan-Dividend.	<b>20,236,489</b>	1,625,974
<b>Total</b>	<b>20,260,311</b>	1,650,171
Aggregate Cost of quoted Investments	<b>23,822</b>	24,197
Aggregate Market Value of quoted Investments	<b>33,574</b>	28,841
Aggregate cost of unquoted Investments	<b>20,236,489</b>	1,625,974

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March,2008 Rupees	As at 31st March,2007 Rupees
<b>Schedule 5 - 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	3,655,079	7,950,735
<b>Total</b>	<b>3,655,079</b>	<b>7,950,735</b>
<b>Grand Total</b>	<b><u>3,655,079</u></b>	<b><u>7,950,735</u></b>
<b>Schedule 6 - Cash and Bank Balances</b>		
Cash in hand	61,200	66,685
Balance with Banks		
- In Current Accounts	1,450,617	3,192,117
- In Margin Money for issue of bank guarantee	22,500	22,500
<b>Total</b>	<b><u>1,534,317</u></b>	<b><u>3,281,302</u></b>
<b>Schedule 7 - Other Current Assets , Loans and Advances</b>		
(Unsecured)		
<b>(a) Considered good</b>		
Loans	-	500,000
Interest Accrued	-	33,750
Deposits	1,041,338	985,086
Advances recoverable in cash or in kind or for value to be received	334,687	370,644
Prepaid expenses	311,722	186,992
Advance payment of Taxes	6,853,224	5,022,627
Service tax credit	511,573	189,520
<b>Sub Total (a)</b>	<b><u>9,052,545</u></b>	<b><u>7,288,619</u></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
Sub Total (b)	-	-
<b>Total</b>	<b><u>9,052,545</u></b>	<b><u>7,288,619</u></b>

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

	As at 31st March,2008 Rupees	As at 31st March,2007 Rupees
<b>Schedule 8 - Liabilities</b>		
<b>Sundry Creditors</b>		
(i) Due to small scale of the Holding Company industrial undertaking (Refer Shedule No.16 (ii) g of the holding company)	-	-
(ii) Others	1,571,314	3,219,386
Security Deposits	7,353,000	7,353,000
Other Liabilities	3,371,173	4,262,705
<b>Total</b>	<b>12,295,487</b>	<b>14,835,091</b>
<b>Schedule 9 - Provisions</b>		
Provision for :		
Gratuity	151,415	123,460
Leave Salary	80,384	191,925
Income Tax	3,400,000	-
Fringe Benfit Tax	325,308	284,308
<b>Total</b>	<b>3,957,107</b>	<b>599,693</b>

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

	For the year ended 31st March,2008 Rupees	For the year ended 31st March,2007 Rupees
<b>Schedule 10 - Sales and Services</b>		
Data Outsourcing Charges-BPO	29,882,550	41,042,318
<b>Total</b>	<b>29,882,550</b>	<b>41,042,318</b>
<b>Schedule 11 - Other Income</b>		
Other Interest	203,244	231,704
(Tax deducted at source Rs.6,954/- (Previous year Rs.1,148/-)		
Dividend from Investments	710,218	90,600
Rental/Business Centre Charges	14,900,000	8,668,533
(Tax deducted at source Rs.34,02,439/- (Previous year Rs.23,60,414/-)		
Profit on sale of Investments	761	5,000
Excess provision for gratuity/Leave salary w/back	53,600	38,530
Leave salary (Gain)	988	-
Sundry Balances written back	-	71,946
Sale of scrap	-	5,250
<b>Total</b>	<b>15,868,811</b>	<b>9,111,563</b>

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

	For the year ended 31st March,2008 Rupees	For the year ended 31st March,2007 Rupees
<b>Schedule 12 - Payments to and Provision for Employees</b>		
Salaries	12,120,992	11,267,738
Contribution to Provident Fund	385,963	325,254
Staff Welfare	331,686	461,774
<b>Total</b>	<b>12,838,641</b>	<b>12,054,766</b>
<b>Schedule 13 - Operating Expenses</b>		
Webhosting Charges	175,616	178,482
FTP Hosting charges	595	595
Communication charges	1,712,255	13,36,651
Professional fees	1,051,351	10,17,868
Membership & Subscription	375,522	121,440
Software expenses	18,028	88,360
Computer Hire charges	789,250	731,240
Computer maintenance charges	7,360	108,533
Data Processing/Management charges	876,087	1,694,386
Network maintenance charges	123,750	137,975
Foreign exchange fluctuation	560,993	276,365
<b>Total</b>	<b>5,690,807</b>	<b>5,691,896</b>
<b>Schedule 14 - Administrative and Other Expenses</b>		
<b>Repairs and Maintenance</b>		
-Building Maintenance charges	569,114	1,869,268
-Repairs to others	28,864	75,984
<b>Auditors remuneration</b>	<b>156,110</b>	<b>127,500</b>
<b>Travelling expenses</b>		
Conveyance	299,195	203,636
Staff Bus charges	1,381,100	1,229,270
Travelling	2,275,783	3,587,524
<b>Administrative expenses:</b>		
Rent Rates & Taxes	1,081,291	1,009,764
Printing & Stationery	131,162	221,898
Insurance Charges	129,973	47,144
Recruitment expenses	169,573	399,969
Electricity Charges	1,335,946	1,195,516
Miscellaneous expenses	927,631	844,627
Provision for doubtful debts / advances (Refer Schedule No.16 (ii) e)	-	298,393
<b>Total</b>	<b>8,485,740</b>	<b>11,110,492</b>
<b>Schedule 15-Interest</b>		
Interest on Unsecured Loan	-	44,178
		<b>44,178</b>
<b>Schedule 16- Prior Period item</b>		
Foreign Exchange Fluctuation	102,911	-
	<b>102,911</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,2008</b>	<b>Financial year ends on</b>
Informed Financial USA Inc	USA	100%	31/12/2007

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,2007. 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 2007.
  - 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.
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As per our report of even date attached

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

**M. V. Ghelani**  
Proprietor

Mumbai, 27<sup>th</sup> June, 2008

For and on behalf of the Board of Directors

**Gautam P.Khandelwal**  
Chairman

**Smt.Suelve G.Khandelwal**  
Director

Mumbai, 27<sup>th</sup> June, 2008



# 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 50<sup>th</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 Thursday, September 25, 2008 at 10.00 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 50<sup>th</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 Thursday, September 25, 2008 at 10.00 A.M. (I.S.T.) and at any adjournment thereof.

As Witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2008

Affix  
Re. 1/-  
Revenue  
Stamp

\_\_\_\_\_  
Signed by the said

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**

**(Formerly KFA Corporation Limited)**

Nirmal, 20th Floor,

Nariman Point,

Mumbai - 400 021.

**Informed Technologies India Limited**  
(Formerly KFA Corporation Limited)

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**Annual Report 2007-2008**