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**ANNUAL REPORT AND ACCOUNTS  
2003-2004**

## **BOARD OF DIRECTORS**

Mr. S. K. Rateria	<i>Chairman &amp; Managing Director</i>
Mr. A. K. Kedia	<i>Executive Director</i>
Mr. Dale Tower	<i>Director</i>
Prof. A. K. Dutta	<i>Director</i>
Mr. R. C. Gattani	<i>Director</i>
Mr. J. K. Bag	<i>Director</i>
Mr. S. Biswas	<i>Alternate Director (Alt. To Mr. Dale Tower)</i>

## **COMPANY SECRETARY**

Mr. R. Ghosh (Since 03.06.2004)

## **BANKERS**

Punjab National Bank  
Dena Bank

## **AUDITORS**

M/s. SINGHI & CO.  
Chartered Accountants

## **REGISTERED OFFICE**

77/2A, Hazra Road  
Kolkata - 700 029  
Phone : 2476 7350 to 7353  
Fax : 2474 7674  
e-mail : computec@cal.vsnl.net.in



## NOTICE

Notice is hereby given that the **17th Annual General Meeting** of the Members of **Computech International Limited** will be held at Gyan Manch, 11, Pretoria Street, Kolkata 700 071 on Tuesday the 28th September 2004 at 11.00 A.M. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March 2004 and Profit & Loss Account of the Company for the year ended on that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Prof. A. K. Dutta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. R. C. Gattani, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Registered Office :  
77/2A, Hazra Road  
Kolkata - 700 029

By order of the Board  
**A. Dey**  
Company Secretary

Dated : 28th April, 2004

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 24 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members are requested to :
  - i) intimate the Company or its Registrar and Share Transfer Agent, M/s. MCS Ltd., 77/2A, Hazra Road, Kolkata 700 029 immediately, if there is any change in their address (including Pin Code), mandate, bank account details, etc;
  - ii) quote the ledger folio or Client ID and DP ID Numbers in all communication with the Company;
  - iii) bring their copies of Annual Report together with Admission Slip and Entry Pass to the venue. Annual Report shall not be distributed at the venue of the Meeting;
  - iv) note that, the Register of Members and Share Transfer Books shall remain closed from Thursday, 16th September 2004 to Tuesday, 28th September 2004 (both days inclusive).
  - v) Intimate to the Company queries, if any, regarding annual reports/notice at least ten days before the Annual General Meeting in order to enable the Management to keep the information ready at the meeting.
3. Members are aware that the fully paid up equity shares of Rs. 10 have been sub-divided into two fully paid up equity shares of Rs. 5 each and that old equity shares of the face value of Rs. 10 have been cancelled and not being traded in the stock exchanges/markets. Those members who have not yet surrendered their old share certificates to the Company are requested to surrender their old share certificates immediately to the Company or its Registrar and Transfer Agent, M/s. MCS Ltd. to get the new share certificates of face value of Rs. 5 each.
4. Appointment / Re-appointment of Directors

Prof. Ashoke Kr. Dutta and Mr. Ramesh Chandra Gattani who will retire by rotation and being eligible offer themselves for re-appointment. The information or details to be provided under Corporate Governance code for the aforesaid directors are as under :



**Prof. A. K. Dutta**

He is aged about 57 years and ex Dean of VGSOM, IIT Kharagpur. Now he is a Director of The Indian Institute of Social Welfare and Business Management, Kolkata. He has vast experience in Business Management and Information Technology Industry.

**Ramesh Chandra Gattani**

He is aged about 57 years and a Bachelor of Engineering and has vast experience in various industries as Senior Management Executive. He has vast experience in Computer, Registrar and Share Transfer business.

Registered Office :

77/2A, Hazra Road

Kolkata - 700 029

By order of the Board

**A. Dey**

Company Secretary

Dated : 28th April, 2004

## DIRECTORS' REPORT

Your Directors are pleased to present the 17th Annual Report and the audited accounts for the year ended 31st March, 2004.

## FINANCIAL RESULTS

The performance of the company for the financial year ended 31st March, 2004 is summarized below :

	<b>2003-04</b>	(Rs. in Million) <b>2002-03</b>
Gross Turnover	<b>1181.04</b>	1205.22
Operating Profit (PBIDT)	<b>52.17</b>	91.53
Interest	<b>19.71</b>	26.52
Depreciation	<b>41.72</b>	55.09
Profit before Tax & Extra ordinary items	<b>(9.25)</b>	9.92
Extra Ordinary Items	<b>3.57</b>	—
Profit before tax	<b>(5.68)</b>	9.92
Provision for Taxation	<b>18.01</b>	12.10
Profit after Tax	<b>12.33</b>	22.02
Profit & Loss Account Balance carried forward	<b>342.74</b>	330.41

## DIVIDEND

The Directors regret their inability to recommend any dividend in view of inadequacy of profits for the year ended 31st March, 2004.

## FINANCIAL CONDITION AND RESULTS OF OPERATION

The year under review concluded with your Company's overall turnover at Rs. 1181.04 Million (Previous year Rs. 1205.22 Million) and profit after tax of Rs. 12.33 Million (Previous year Rs. 22.02 Million).

## BUSINESS REVIEW

The 21st Century has been branded as the age of IT developments and the Government of India, irrespective of the colour and ideology, has been emphasizing on the export and development of software and other IT Products.

Your company, having a colourful background in the IT sector and being regarded as one of the front leaders in IT industry in India, could not stand as a silent onlooker, but has been utilizing this opportunity to the optimum extent.

The recent instability in the international political and financial arena and recent US laws preventing outsourcing of IT related assignments to other countries are some of the threats being faced by the IT industry through out the world and that includes the Indian IT sector too; but the strong foot hold of your company in this field and the



competitive attitude of your directors have been playing a major role in overcoming these threats and preparing your company for a golden harvest in the years to come.

### **OPPORTUNITIES**

With the comparative advantage of committed work force lower cost and long existence in the field, your company seems to perform better in time to come.

### **THREATS**

Your company is currently facing normal competition from other established I.T. industry/ sector. However your directors with comparative advantages hope to achieve a better position in comparison to its competitors in a short span of time.

### **OUTLOOK**

The I.T. Industry is growing substantially world wide. The company with its capabilities, is expected to benefit significantly from these positive trends.

### **RISK & CONCERNS**

The Company expects the normal risk factors of business mix, customer concentration, economic cycle, effects of changes in foreign currency, exchange rates, credit spread, liquidity etc.

### **ADEQUACY OF INTERNAL CONTROLS**

The Company has a proper and adequate system of internal controls to ensure that all of its assets are safeguarded and protected against loss from unauthorized use or disposition and transaction are authorized, recorded and reported correctly. The management has implemented an integrated computerized management information system encompassing all functional areas. The job process and internal control are so designed to ensure proper checks and balances for eradication of errors and faults. The internal control system is supplemented by internal audits, review by management documented policies and procedures.

### **HUMAN RESOURCES OF THE COMPANY**

Your company believes that people constitute the strength of an organization. The company is committed to the welfare of its people by providing the best possible work environment. The company is also providing continuous learning and personal development opportunities by arranging regular training and all around exposure to its people, which in turn has given your company a team of able and experienced professionals besides the employees at all levels have actively participated in the efforts to sustain and improve the performance even in the most difficult times.

There is no employee coming under the purview of Section 217(2A) of the Companies Act, 1956.

### **DISPOSE OFF THE R&T BUSINESS**

As per the consent of the members of the Company through Postal Ballot, result

declared on 26/09/2003, the Company has disposed off its Registrar & Share Transfer (R&T) Business to MCS Ltd. w.e.f. 01/07/2003. The Company has looked after the said R&T business on behalf of MCS Ltd. w.e.f. 01/07/2003 to 30/09/2003.

### **REGISTRAR & SHARE TRANSFER AGENT**

The Company has appointed M/s. MCS Ltd., 77/2A, Hazra Road, Kolkata-700 029 as its Registrar and Share Transfer Agent w.e.f. 1st October, 2003.

### **DEPOSITORY SYSTEM**

As the members are aware, the Company's shares are traded compulsorily in Demat Form and your Company has already established connectivity with both the depositories i.e. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). In view of the advantages offered by the Depository System, members are requested to avail of the facility of Dematerialisation of Company's shares.

### **DIRECTORS**

Mrs. Saroj Rateria, director, resigned from the Board on 16th October, 2003. The Board recorded its appreciation for the services rendered by her during the tenure as director of the company.

Prof. A. K. Dutta ex-dean of VGSOM, IIT, Kharagpur now a Director of The Indian Institute of Social Welfare and Business Management, Kolkata and has vast experience in the professional management retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr. Ramesh Chandra Gattani an Engineer and having vast experience in various industries as Senior Management Executive, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### **AUDITORS AND THEIR OBSERVATIONS**

M/s. Singhi & Co., Chartered Accountants, the auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The observation of the auditors referred to in the auditors' report have been suitably explained in the notes on Accounts.

### **PERSONNEL**

The industrial relations with its employees has been cordial during the year. The Board records its appreciation to the useful contribution made by all the employees.

### **ADDITIONAL INFORMATION**

The additional information required to be furnished under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 to the extent applicable to the Company are given in Annexure "A".





## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that -

- (i) In the preparation of Annual Accounts the applicable accounting standards have been followed alongwith proper explanations relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2004 and the profit of the company for the year ended on the date.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities ; and
- (iv) The Directors have prepared the annual accounts of the Company on a "going concern" basis.

## **CORPORATE GOVERNANCE**

A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with Stock Exchanges, form part of the Annual Report.

## **ACKNOWLEDGEMENT**

Your Directors would like to express their appreciation of the cooperation received from the Financial Institutions, Banks, Govt. Authorities, Customers, Shareholders and other associates during the year under review.

Place : Kolkata

Dated : the 28th day of April , 2004

For and on behalf of the Board

**A. K. Kedia**

Executive Director

**R. C. Gattani**

Director

## ANNEXURE "A" TO DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

### 1. Conservation of Energy

As the company is not a manufacturing company, reporting on conservation of energy does not arise

### 2. Technology Absorption

#### 2.1. Research and Development

During the year under review the company's efforts were mainly directed towards customer driven developmental activity. Expenditure on R&D during the financial year 2003-2004 is as under :

a) Capital	:	NIL
b) Recurring	:	NIL

#### 2.2. Technology absorption, adaptation and innovation

There is no technical collaboration. The company is manufacturing with the help of in-house developed technology. The company has taken steps to keep abreast with the latest technical development in the key business areas by deputing employees for attending seminars and workshops.

### 3. Foreign Exchange Earning and Outflow

During the year ended 31st March, 2004 the company was able to register export earnings of Rs. 1130.47 million for its various products and services. During the year the foreign currency earnings has increased 36.20%. We hope to achieve better result in the coming year. The total Foreign Exchange outgo during the same period amounted to Rs. 862.36 million on import of software, hardware & peripherals, traveling and others. The particulars of foreign exchange utilized / earned during the year are given under clause B18 b in the Schedule 22 on notes on accounts.

For and on behalf of the Board

**A. K. Kedia**

Executive Director

**R. C. Gattani**

Director

Place : Kolkata

Dated : the 28th day of April , 2004