



**ANNUAL REPORT AND ACCOUNTS
2004 - 2005**

BOARD OF DIRECTORS

Mr. S. K. Rateria	<i>Chairman & 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

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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 : compute@cal.vsnl.net.in

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of **Computech International Ltd.** will be held at Gyan Manch, 11, Pretoria Street, Kolkata - 700 071 on Tuesday, the 26th July 2005 at 11.00 a.m. to transact the following businesses:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March 2005 and Profit and 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 Mr. A.K. Kedia, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. J.K. Bag, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s), the following resolutions :

5) As Ordinary Resolution

"RESOLVED that subject to the limit laid down under sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modifications of the said Act and Schedule, the Company hereby accords its approval to the re-appointment of Mr. S.K. Rateria as Chairman-cum-Managing Director of the Company for a period of 5 years with effect from 1st October 2005 on the terms and conditions and stipulations of appointment and remuneration as approved by the Board of Directors and set out in the explanatory statement annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to increase the salary and / or perquisites of Mr. S.K. Rateria as they deem fit and proper within the limits prescribed under Schedule XIII of the Companies Act, 1956."

6) As Ordinary Resolution

"RESOLVED that subject to the limit laid down under sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modifications of the said Act and Schedule, the Company hereby accords its approval to the re-appointment of Mr. A.K. Kedia as Executive Director of the Company for a period of 5 years with effect from 1st October 2005 on the terms and conditions and

stipulations of appointment and remuneration as approved by the Board of Directors and said in the explanatory statement annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to increase the salary and / or perquisites of Mr. A.K. Kedia as they deem fit and proper within the limits prescribed under Schedule XIII of the Companies Act, 1956."

7) **As Special Resolution**

RESOLVED that pursuant to Clause 49 of the Listing Agreement, Articles 108 of the Articles of Association of the Company. Section 309, 310 & all other applicable provisions of the Companies Act, 1956, the company hereby accords its approval to the payment of sitting fees and commission to its non-executive directors within the limits as may be notified by the Central Government from time to time."

8) **As Special Resolution**

"RESOLVED that pursuant to the applicable provisions of the Companies Act, 1956, and the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as 'delisting guidelines') and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company ("the Board" which term shall be deemed to include any committee thereof), consent of the Shareholders be and is hereby accorded to the Board of Directors to delist the equity shares of the Company from the Calcutta Stock Exchange Association Ltd."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorize any of its committees or any of its directors or any of the officers of the Company to do all such acts, deeds or things to give effect to the aforesaid resolution."

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

By Order of the Board
R. Ghosh
 Company Secretary

Dated: 21st May 2005

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 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. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item no. 5 to 8 as set out above is annexed hereto.
3. 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 Tuesday, the 19th July 2005 to Tuesday, the 26th July 2005 (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.
4. 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 Share Transfer Agent, M/s. MCS Ltd. to get the new share certificates of face value of Rs. 5 each.
5. Pursuant to the provisions contained in section 205A and 205C of the Companies Act, 1956 the company has transferred dividend for the financial years ended 31st March' 96 and 31st March' 97 remaining unclaimed for a period of 7 years from the date of it becoming due for payment to the Investor Education and Protection Fund constituted by the Central Government and no claim shall lie against the Investor Education and Protection Fund or the company in respect of individual amount (s) so credited to the Investor Education and Protection Fund.
6. Pursuant to the provisions of the Companies Act, 1956, final dividend for the

financial year ended 31st March 1998 and dividends declared thereafter, which remain unclaimed for a period of 7 years, will be transferred by the company to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956. Please be informed that the due month for transferring the unclaimed dividend for the financial year ended 31st March 1998 to Investor Education and Protection Fund is October 2005. Shareholders who have not yet encashed the dividend warrant for the financial year ended 31st March 1998 and any subsequent financial years are requested to make their claim to the company's registered office or to its Registrar and Share Transfer Agent immediately.

7. At the ensuing Annual General Meeting Shri A.K. Kedia, Director of the Company, retires by rotation and being eligible offers himself for re-appointment and he will also be re-appointed as an Executive Director of the Company for a period of 5 years w.e.f. 1st October 2005. Further in the ensuing Annual General Meeting Mr. J.K. Bag, Director of the Company retires by rotation and being eligible offers himself for re-appointment. Further in the ensuing Annual General Meeting Mr. S.K. Rateria, Chairman-Cum-Managing Director of the Company will be re-appointed as the Chairman-Cum-Managing Director for a period of 5 years w.e.f. 1st October 2005. Pursuant to Clause 49 of the Listing Agreement relating to the code of Corporate Governance, the particulars of the aforesaid directors are given below.

Mr. A. K. Kedia

He is aged about 49 yrs and a Commerce Graduate having more than 27 years of experience in the commercial field and has vast experience in Computer, Registrar & Share Transfer business.

He is a Director of Polar International Ltd., Ajay Electro Impex (P) Ltd. and Irama Estates (P) Ltd. His re-appointment is recommended by the Board of Directors.

Mr. J. K. Bag

Mr. Bag is an M.A., CAIIB. He has 36 yrs of experience in Punjab National Bank. He retired from there as a Chief Manager. He is aged about 71 years. He has vast experience in Finance, Accounts and Banking matters. He is not holding Directorship in any other company. His re-appointment is recommended by the Board of Directors.

Mr. S. K. Rateria

The Company has been promoted by Shri S.K. Rateria. He is aged about 49 yrs and a Commerce Graduate with experience of more than 27 years in Steel, Ferro Alloys, Computer Hardware & Software, Registrar & Share Transfer Business. He started his business activities as trader in Steel and Ferro Alloys. In 1984 he promoted this company which has over the years grown as an Infotech Company. He is a director of Silvery Designers Pvt. Ltd. and Surabhi Development Projects Pvt. Ltd. His re-appointment is recommended by the Board of Directors.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 5

Mr. S.K. Rateria was appointed as Managing Director of the Company for a period of five years effective from 1st October 2000 and the tenure of his office will expire as at the close of 30th September 2005. At the meeting of the Board of Directors held on 21st May 2005 the Board noted that under the leadership of Mr. S.K. Rateria, the restructuring of the various business activities of the Company has resulted in total turn around of the Company.

Taking into consideration Mr. S.K. Rateria's achievements, vast knowledge, his abilities, background and experience in computer industry, the Board unanimously agreed that it will be fit and proper in the best interest of the company to re-appoint Mr. S.K. Rateria as the Managing Director of the Company for a further period of 5 years with effect from 1st October 2005.

The terms and conditions for the reappointment as the Managing Director of the Company shall contain the following remuneration which shall be within the overall ceilings as specified in Schedule XIII to the Companies Act, 1956.

- a) Salary : Rs. 80,000 (Rupees Eighty thousand) only per month.
- b) Perquisites : In addition to the above salary, Mr. S.K. Rateria shall also be entitled to the following perquisites and facilities as detailed in categories (A), (B) & (C). Such perquisites will be subject to a maximum of 100% of his annual salary.

Category A :

1. Housing I : The expenditure by the Company on hiring furnished accommodation for Mr. S.K. Rateria will be subject to the following ceiling:-
 Sixty percent of the salary, over and above ten percent payable by Mr. S.K. Rateria.
- Housing II : In case the accommodation is owned by the Company, ten percent of the salary of Mr. S.K. Rateria shall be deducted by the Company.
- Housing III : In case no accommodation is provided by the Company, Mr. S.K. Rateria shall be entitled to house rent allowance subject to ceiling laid down in Housing I.

Explanations : The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules. This shall, however, be subject to a ceiling of ten percent of the salary of Mr. S.K. Rateria.

2. Medical Reimbursement : Expenses incurred for Mr. S.K. Rateria and his family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
3. Leave Travel Concession : Mr. S. K. Rateria and his family, once in a year incurred in accordance with the rules of the Company.
4. Club Fees: Fees of club subject to a maximum of two clubs excluding admission and life membership fees.
5. Personal Accident Insurance : Premium not to exceed Rs. 5000 per annum.

Explanation : For the purpose of category "A", family means the spouse, the dependent children and dependent parents of Mr. S.K. Rateria.

Category B :

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable should not exceed half-a-month's salary for each completed year of service.
2. Encashment of leave as per the rules of the Company.

Category C :

Provisions of free use of Chauffeur driven car for Company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. S.K. Rateria.

In the event of loss or inadequacy of profits in financial year during the currency of the tenure of the Chairman-cum-Managing Director, the payment of salary, perquisites & other allowances shall be governed by limits prescribed Under the Schedule XIII of the Companies Act, 1956.

The other terms and conditions of appointment of the Chairman-Cum-Managing Director will remain same as set out in the draft agreement dated 21st May 2005.

The re-appointment of Mr. S.K. Rateria and the remuneration payable to him requires the approval of the shareholders under Section 269 of The Companies Act, 1956. Accordingly the ordinary resolution as set out in the Notice is placed before the Shareholders for their approval. Your directors recommend adoption of the Resolution set out at item no.5 of the notice.

Mr. S.K. Rateria is deemed to be concerned or interested in the Resolution.

None of the other directors are concerned and/or interested in this resolution.

This explanatory note together with the accompanying notice is & should be treated as an abstract of the terms of service of Mr. S.K. Rateria and memorandum of interest under Section 302 of the Companies Act, 1956.

Item No. 6

Mr. A.K. Kedia was appointed as an Executive Director of the company for a period of five years effective from 1st October 2000 and the tenure of his office will expire at the close of 30th September 2005. At the meeting of the Board of Directors held on 21st May 2005 the Board agreed that it will be fit and proper in the best interest of the Company to re-appoint Mr. A.K. Kedia as an Executive Director of the Company for a further period of five years w.e.f. 1st October, 2005.

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|----|-------------|---|---|
| a) | Salary | : | Rs. 27,500/- (Rupees Twenty Seven thousand Five Hundred only per month as consolidated. |
| b) | Perquisites | : | Contribution to Provident Fund. Superannuation Fund or

Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable should not exceed half-a-month's salary for each completed year of service. |
| c) | Leave | : | As per the rules of the company |
1. Provisions of car for use on Company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Director.
 2. In the event of loss or inadequacy of profit in any financial year during the currency of the tenure of the Executive Director the payment of salary, perquisites and other allowances shall be governed by limits prescribed under the Schedule XIII to the Companies Act, 1956.

The other terms and conditions of appointment of Mr. A.K. Kedia as an Executive Director of the Company will remain same as set out in the draft Agreement dated 21st May 2005.

The re-appointment of Mr. A.K. Kedia and the remuneration payable to him requires the approval of the shareholders Under Section 269 of the Companies Act, 1956. Accordingly the ordinary resolution as set out in the notice placed before the shareholders for their approval. Your Directors recommend adoption of the Resolution set out at item no.6 of the Notice.

None of the Directors is interested in this resolution except Mr. A.K. Kedia.

This explanatory note together with the accompanying notice is & should be treated as an abstract of the terms of service of Mr. A.K. Kedia and memorandum of interest Under Section 302 of the Companies Act, 1956.

Item No. 7

Members must be aware that Clause 49 of the Listing Agreement has been amended by SEBI vide Circular No. SEBI/CFD/DIL/CG/2004/12/10 dated October 29, 2004 and is applicable to your Company w.e.f. December 31, 2005. The new amendment

provides that all fees/compensation, if any, paid to non-executive directors, including independent directors shall be fixed by the Board of Directors and shall require the prior approval of the shareholders in a General Meeting.

As per notification No. GSR 580(E) dated July 24, 2003 issued by the Central Government, the maximum sitting fees has been fixed at Rs. 20,000 for companies with a paid up share capital and free reserves of Rupees Ten Crore or more or turnover of Rupees Fifty Crore or more. However, your company still continues to pay only Rs. 5,000/- to its directors as Sitting Fees on attending each Board Meeting and Rs. 1000/- each to its members of Audit Committee and Shareholders/Investors' Grievance Committee due to inadequacy of profits / losses suffered by the Company.

The present approval of the Members will also cover any increases/relaxation prescribed by the Central Government in terms of Section 310 of the Companies Act, 1956.

The non-executive directors may be deemed to be concerned or interested in the passing of the resolution to the extent of the Sitting Fees and commission received by them.

No other director is concerned or interested in this resolution.

Item No. 8

The Company's equity shares are listed with the following Stock Exchanges.

The Calcutta Stock Exchange Association Ltd. (CSE)

The Stock Exchange, Mumbai (BSE)

National Stock Exchange of India Ltd. (NSE)

It has been observed that since last few years trading in equity shares of the Company on the CSE is negligible. The directors feel that the listing fees payable to this Stock Exchange outweigh the benefit of trading facility provided by them. Further, considering the expansion of the BSE and NSE and its extensive networking and terminals to other cities where investors have access to on-line dealings in the Company's equity shares on such terminals across the country, it is disproportionate to pay the listing fees to the said stock exchange.

Besides BSE and NSE having nation-wide terminals provide adequate opportunity to shareholders to trade in Company's shares.

The Company's equity share, however, will continue to be listed on BSE and NSE.

Due to the availability of trading facilities of BSE and NSE in most of the cities across the country, the proposed delisting of the Company's equity shares on the said stock exchange will not be prejudicial to, or affect the interest of the Shareholders.

The Directors recommend the resolution as a special resolution for approval of the shareholders.

None of the Directors of the Company is concerned or interested in the above resolution.

Registered Office :
77/2A, Hazra Road
Kolkata -700 029
Dated: 21st May 2005

By Order of the Board
R. Ghosh
Company Secretary