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**ANNUAL REPORT AND ACCOUNTS**  
**2006 - 2007**



**BOARD OF DIRECTORS :**

Mr. S. K. Rateria	<i>Chairman &amp; Managing 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. S. K. Gupta

**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



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## NOTICE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the members of Computech International Ltd. will be held at Madhusudan Mancha, 2, Gariahat Road (South), Dhakuria, Kolkata - 700 068 on Wednesday, the 26<sup>th</sup> September 2007 at 11.00 a. m. to transact the following businesses :

- 1) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2007 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 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. J.K. Bag, 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  
Dated : 31<sup>st</sup> July 2007

By Order of the Board

**S. K. Gupta**

Company Secretary

## 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 Registrars and Share Transfer Agent, M/s. MCS Ltd., 77/2A Hazra Road, Calcutta 29 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 Monday, the 24<sup>th</sup> September 2007 to Wednesday the 26<sup>th</sup> September 2007 (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 Share Transfer Agent, M/s. MCS Ltd. to get the new share certificates of face value of Rs. 5/- each.
4. 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 31<sup>st</sup> March 99 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.
5. Pursuant to the provisions of the Companies Act, 1956, interim and final dividend for the financial year 1999-2000 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 1999-2000 to Investor Education and Protection Fund is October 2007. Shareholders who have not yet encashed the dividend warrant for the financial year 1999-2000 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.



6. Appointment / Reappointment of Directors.

**Prof. A. K. Dutta**

He is aged about 60 yrs 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.

**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 73 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.

Registered Office :

77/2A Hazra Road  
Kolkata 700 029

Dated : 31<sup>st</sup> July 2007

By Order of the Board

**S. K. Gupta**

Company Secretary

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## DIRECTORS' REPORT

Your Directors are pleased to present the 20<sup>th</sup> Annual Report and the audited accounts for the year ended 31<sup>st</sup> March, 2007.

### FINANCIAL RESULTS

The performance of the company for the financial year ended 31<sup>st</sup> March, 2007 is summarized below :

	(Rs. in Million)	
	<u>2006 -07</u>	<u>2005-06</u>
Gross Turnover	1228.09	1084.81
Operating Profit (PBITD)	68.01	62.64
Interest	31.93	24.96
Depreciation	07.43	17.45
Profit before Extra Ordinary Items & tax	28.65	20.23
Prior Period Items	-	00.61
Profit for the year before tax	28.65	20.84
Provision for Taxation	01.45	00.14
Profit after Tax	30.10	20.98
Profit & Loss Account Balance carried forward	452.91	422.81

### DIVIDEND

The Directors regret their inability to recommend any dividend in view of inadequacy of profits for the year ended 31<sup>st</sup> March, 2007

### FINANCIAL CONDITION AND RESULTS OF OPERATION

The year under review concluded with your Company's overall turnover at Rs. 1228.09 Million (Previous year Rs. 1084.81 Million) and profit after tax of Rs. 30.10 Million (Previous year Rs. 20.98 Million).

### BUSINESS REVIEW

The IT sector in India is now taking a fast consistent and growth with the Government support and encouragement. The development in the EOU sector is calling for a standing support to the exporters in this field.

Your company has been taking the advantage of the EOU sector and has got itself registered as a 100% EOU under the Central Government and has been consistently utilizing its capacities to the fullest with a constant endeavour to grow further.



With an expert team of software technicians and the competitive & professional mind set of the management, your company is making a head-way to reap the best in this scenario.

### **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. Further, as an unit registered as 100% EOU, your company is offered with a range of government benefits ensuring further growth and vast opportunities.

### **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. Further, the internal control system is under a constant review by the internal auditors and the audit committee as required under the listing agreement.

### **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 employees coming under the purview of Section 217(2A) of the Companies Act, 1956.

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

M/s. MCS Ltd., 77/2A Hazra Road, Kolkata 700 029 is the Registrar and Share Transfer Agent of the company.

### **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**

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. Bag is an M.A., CAIIB. He has 36 years of experience in Punjab National Bank. He retired from there as a Chief Manager. He is aged about 73 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.

### **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.



### **DELISTING OF EQUITY SHARES FROM CALCUTTA STOCK EXCHANGE ASSOCIATION LTD.**

Your Directors recommend the delisting of its equity shares from The Calcutta Stock Exchange Association Ltd. with the extensive networking of the Stock Exchanges, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE) investors/shareholders / members of the Company have access to online dealings in the company's shares across of the country. Moreover, with the introduction of online trading through BSE and NSE across the country and also to avoid certain expenses your directors recommend for delisting of equity shares of the Company from The Calcutta Stock Exchange Association Ltd. and the same was recommend by you and passed as a Special Resolution in the 18<sup>th</sup> Annual General Meeting of the Company.

### **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 31<sup>st</sup> March, 2007 and the profit of the company for the year ended on that 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 account of the Company on a "going concern" basis.