



ANNUAL REPORT & ACCOUNTS
2009-2010

BOARD OF DIRECTORS:

Mr. S.K.Rateria
Mr. J.K.Bag
Mr. S.Biswas

Chairman & Managing Director
Director
Director

COMPANY SECRETARY:

Mr. P. Ghosh

BANKERS:

Punjab National Bank
Dena bank
Vijaya Bank

AUDITORS:

M/s. B.SINGHAL & CO.
Chartered Accountants

REGISTERED OFFICE:

77/2A, Hazra Road
Kolkata-700029
Phone: 2476 7350
Fax: 2474 7674
e-mail: computec@cal.vsnl.net.in

CONTENTS	PAGE NO.
Notice of Annual General Meeting	3 - 5
Director Report	6 - 12
Report on Corporate Governance	13 - 27
Auditors' Report	28 - 35
<i>Auditors Certificate on Corporate Governance</i>	36
Balance Sheet	37
Profit & Loss Accounts	38
Schedule to Accounts	39 - 62
Cash Flow Statement	63
Balance Sheet Abstract	64
Proxy Form & Attendance Slip	65

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Computech International Ltd. will be held at Sujata Sadan, 7, Hazra Road Kolkata-700 026 on Thursday the 30th September 2010 at 11.00 a. m. to transact the following businesses:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March 2010 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. S. Biswas, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint Auditors and fix their remuneration.

Registered Office:
77/2A Hazra Road
Kolkata 700 029
Dated: 31st May 2010

By Order of the Board

P.Ghosh
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, Kolkata 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 Saturday, the 27th September'2010 to Thursday the 30th September'2010 (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. Appointment/ Reappointment of Directors.

Mr. J.K.Bag

Mr. J.K.Bag is an M.A., CAIIB. He has 38 years experience in Punjab National Bank and retired as a chief manager. He is aged about 75 years.

Mr. S. Biswas

He is aged about 40 yrs and a Law Graduate. He is an advocate in Kolkata High Court..

Registered Office:

By Order of the Board

77/2A, Hazra Road

Kolkata 700 029

Dated : 31st May, 2010

P.Ghosh

Company Secretary

Annexure to the Notice of Annual General Meeting.

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

Section 260 of the Companies Act, 1956.

Registered Office:

By Order of the Board

77/2A, Hazra Road

Kolkata 700 029

Dated : 31st May, 2010

P.Ghosh

Company Secretary

DIRECTORS' REPORT

Your Directors are pleased to present the 23rd Annual Report and the audited accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

The performance of the company for the financial year ended 31st March, 2010 is summarized below:

	(Rs. in Million)	
	<u>2009 -10</u>	<u>2008 -09</u>
Gross Turnover	5.34	266.93
Operating Profit (PBIDT)	-582.40	-920.36
Provision for Doubtful Debts	546.19	967.15
Interest	54.14	50.49
Depreciation	1.37	1.44
Profit before Extra Ordinary Items & tax	-637.91	-972.29
Prior Period Items	-	-0.06
Profit for the year before tax	-637.91	-972.35
Provision for Taxation	4.31	4.37
Profit after Tax	-633.59	-967.98
Profit & Loss Account Balance carried forward	-694.84	-607.43

DIVIDEND

The Directors regret their inability to recommend any dividend in view of inadequacy of profits for the year ended 31st March, 2010.

FINANCIAL CONDITION AND RESULTS OF OPERATION

The year under review concluded with your Company's overall turnover at Rs.5.34 Million (Previous year Rs. 266.93 Million) and profit after tax (Loss) of Rs. 633.59 Million (Previous year Loss Rs. 967.98 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.

However, as part of the expansion activity, keeping in view of the present all round business scenario, your directors have launched for diversification in Mining and Allied products for healthy performance of the company.

OPPORTUNITES

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

Mr. J. K. Bag

He is an M.A., CAIIB. He has 38 years experience in Punjab National Bank and retired as a chief manager. He is aged about 75 years.

Mr. S. Biswas

He is aged about 40 yrs and a Law Graduate. He is an advocate in Kolkata High Court.

AUDITORS AND THEIR OBSERVATIONS

M/S. B. Singhal & Co., Chartered Accountants Appointed as Statutory Auditors of the Company in the place, to hold office up to the