

Indo-City Infotech Limited

12th ANNUAL REPORT

2003 - 2004

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REGISTERED OFFICE

2/6, Mittal Estate,
Andheri- Kurla Road,
Andheri (East),
Mumbai-400 059.

SHARE TRANSFER OFFICE

Sharepro Services
Satam Estate, 3rd Floor, Above Bank of Baroda,
Cardinal Gracious Road, Chakala, Andheri (E),
Mumbai- 400 099.

BANKERS

The Bharat Co-op. Bank Ltd.
Oriental Bank of Commerce
HDFC Bank

AUDITORS

S. K. Patodia & Associates
Chartered Accountants
Mumbai-400 072.

INDO-CITY INFOTECH LIMITED**NOTICE**

NOTICE is hereby given that 12th Annual General Meeting of INDO-CITY INFOTECH LTD. will be held on Thursday, 30th September, 2004 at 4.30 P.M. at the Registered Office of the Company at 2/6, Mittal Estate, Andheri-Kurla Road, Andheri (E), Mumbai-400059, for transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and Profit and Loss Account for the financial year ended on that date and to receive and consider the Directors Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Manoj Bhoomia who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider the re-appointment of M/s S. K. PATODIA & ASSOCIATES, Chartered Accountants, as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Sandeep Sitani, who was appointed as an Additional Director of the Company, and who holds office upto the date of the ensuing Annual General Meeting under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Sandeep Sitani for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation".

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Dr. Ashok Goyal, who was appointed as an Additional Director of the Company, and who holds office upto the date of the ensuing Annual General Meeting under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Dr. Ashok Goyal for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation".

**By Order of the Board
For Indo-City Infotech Ltd.**

Place: Mumbai
Dated: 9th August, 2004

(Anil Jain)
Executive Director

Registered Office:
2/6 Mittal Estate, Andheri-Kurla Road,
Andheri (E), Mumbai-400 059.

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY FORM SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory statement under section 173 of the Companies Act is annexed hereto.

INDO-CITY INFOTECH LIMITED

3. Members are requested to notify immediately changes in their respective addresses, if any, to the Company's Registrars quoting their Folio No.
4. The register of members and the share transfer book will remain closed from 21/09/2004 to 30/09/2004 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.
5. Members intending to require information about accounts to be explained in the meeting are requested to inform the company in writing at least seven days in advance of the Annual General Meeting.
6. Shareholders are requested to please bring their Copies of Annual Report in the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**ITEM NO. : 4.**

Mr. Sandeep Sitani was appointed as an Additional Director of the Company by the Board of Directors on 15th March, 2004. Pursuant to Section 260 of the Companies Act, 1956, Mr. Sandeep Sitani will hold office as Additional Director upto the date of the ensuing Annual General Meeting. Notice has been received by the Company from a member proposing the candidature of Mr. Sandeep Sitani for the office of Director of the Company pursuant to Section 257 of the Companies Act, 1956.

Mr. Sandeep Sitani, is a qualified Chartered Accountant & has vast experience and immense knowledge in the financial matters, had been associated with the financial sector for past several years. His experience will help the Company to grow more. Your directors recommend his appointment. Except Mr. Sandeep Sitani, no other Director of the Company is interested in this resolution.

ITEM NO. : 5.

Dr. Ashok Goyal was appointed as an Additional Director of the Company by the Board of Directors on 15th March, 2004. Pursuant to Section 260 of the Companies Act, 1956, Dr. Ashok Goyal will hold office as Additional Director upto the date of the ensuing Annual General Meeting. Notice has been received by the Company from a member proposing the candidature of Dr. Ashok Goyal for the office of Director of the Company pursuant to Section 257 of the Companies Act, 1956.

Dr. Ashok Goyal is engaged in the field of software and multimedia since a long time. His association will also boost the growth of the Company. Your directors recommend his appointment. Except Dr. Ashok Goyal, no other Director of the Company is interested in this resolution.

**By Order of the Board
For Indo-City Infotech Ltd.**

Place: Mumbai

Dated: 9th August, 2004.

(Anil Jain)
Executive Director

Registered Office:

2/6 Mittal Estate, Andheri-Kurla Road,
Andheri (E), Mumbai-400 059.

INFORMATION PURSUANT CLAUSE 49 VI (A) (c) OF THE LISTING AGREEMENT: -

As required under the listing agreement, the particulars of directors who are proposed to be appointed / re-appointed are given below:

Name : Mr. Manoj Bhomia

Qualification & Age : Commerce Graduate, 30 years

Expertise : He has more than eight years of experience and eminent knowledge in the financial matters, had been associated with financial sector for past several years. Mr. Bhomia has also to his credit good knowledge and experience of accounting and administration. His association with the Company will result in the growth of the Company.

Other Directorship : Indo-Castle Multimedia Limited

Name of other Companies in which the additional directors who are proposed to be appointed as Non-Executive Independent Directors, liable to retire by rotation, are as under:

Mr. Sandeep Sitani	: Other Directorship : 1 (One) Indo-Castle Multimedia Ltd
Dr. Ashok Goyal	: Other Directorship : NIL

INDO-CITY INFOTECH LIMITED**DIRECTOR'S REPORT**

To,

The Member of Indo-City Infotech Limited,

Your Directors have pleasure in presenting the **Twelfth Annual Report** and Audited Accounts of the Company for the year ended 31st March, 2004.

		(Rupees)
I.	FINANCIAL RESULTS :	
	PROFIT BEFORE TAX	2003-04 2002-2003
		15,601.83 226,227.69
	Less: Provision for Tax	5,597.68 3,075.89
	(including Deferred Tax)	
	Total	10,004.15 223,151.80
	Less: Public Issue Exp. W.off.	(210,013.00) (210,013.00)
	Add: Amount Brought Forward	(434,129.50) (440,504.30)
	Add/(Less) : Prior year tax adjustments	(353,113.00) (6,764.00)
	Balance Carried to Balance Sheet	(987,251.35) (434,129.50)

II. DIVIDEND :

To conserve the resources, your directors express their inability to recommend any dividend for the year under review.

III. PERFORMANCE :

Total income of the company during the year under review is Rs. 64.30 Lacs as against Rs. 43.03 Lacs for the previous year. Due to high software, administrative & other expenses, the profit after tax for the year stood at Rs. 0.10 Lacs as against Rs. 2.23 lacs for the previous year.

IV. FUTURE OUTLOOK :

Your company is working in continue on some projects like Indo-City Super-Pc, Indo-City Professional Series, Indo-City Training Institute and a portal www.enjoynfun.com a entertainment and informative for all age group visitors. Your director's foresee within a short period the company should achieve a mile stone by putting different flag in the sector of total IT solution, which after powerful functionality and can be deployed cost effectively.

V. DIRECTORS :

Mr. Manoj Bhomia, Director, who retires by rotation, is eligible for reappointment. He has offered himself for reappointment.

The Board of Directors has appointed Mr. Sandeep Sitani & Dr. Ashok Goyal as Additional Directors o 15th March, 2004 and in order to strengthen the Board wish to appoint them as Directors of your co pany liable to retire by rotation however, subject to approval of members in Annual General Meeting.

VI. CORPORATE GOVERNANCE :

Your company has been proactive in following the principle and practice of good corporate governance. The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges are complied with.

A separate statement on corporate governance is annexed as a part of the Annual Report along with the Auditors certificate on its compliance. A report in the form of Management Discussion and Analysis pursuant to clause 49 of the Listing Agreement, as a part of this report is annexed hereto.

VII. AUDITORS:

M/s S. K. PATODIA & ASSOCIATES, Chartered Accountants, retire at the forthcoming Annual General Meeting. The Company has received the certificate of their eligibility, under section 224 (1-B) of the Companies Act, 1956. Your directors recommend their appointment.

VIII. AUDITORS REPORT.

Observation made in the Auditor's Report are self-explanatory and therefore do not call for any further comment under section 217(3) of the Companies Act, 1956.

IX. FIXED DEPOSIT :

Your Company has not accepted any fixed deposit from public within the meaning of section 58A of the Companies Act, 1956 and the Rules made there under.

X. PARTICULARS OF EMPLOYEES :

The information required U/s. 217 (2A) of the Companies Act, 1956 with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, as the Company has not employed any employee whose salary exceeds Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month.

XI. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO :

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217 (1) (a) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 absorption is not being given, since the Company is not engaged in manufacturing activity during the year. The Company did not earn and spend any foreign exchange.

XII. DIRECTORS' RESPONSIBILITY STATEMENT :

As required under section 217 (2AA) of the Companies Act, 1956, it is hereby stated that ;

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgment 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 and of the profit or loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Directors had prepared the annual accounts on a going concern basis.

XIII. DELISTING OF SHARES FROM STOCK EXCHANGE :

As per approval accorded to Board of Directors by the members in the E.G.M. held on 26th March, 2003, the shares of the company had been delisted from The Ahmedabad Stock Exchange, with effect from 9th October, 2003. The delisting of shares at this Exchange was felt necessary as there was no trading in the shares of the company at this exchange and hence the Company was unnecessarily burdened with expenditure and other administrative work.

XIV. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation and acknowledgement with gratitude for the support and assistance extended to the Company by the Bankers, Shareholders and Customers. Your Directors place on record their deep sense of appreciation for the devoted service of the executives and staff at all levels of the Company.

For and on behalf of the Board
For INDO-CITY INFOTECH LIMITED.

Place : Mumbai.
Date : 29th June, 2004.

ANIL JAIN
Executive Director

INDO-CITY INFOTECH LIMITED**MANAGEMENT DISCUSSION AND ANALYSIS****1. Industry Structure and Developments**

The Company was incorporated on 22/09/1992. In 1999 the Company changed its name and thereafter started its business in IT. The Company had a humble beginning and is restructuring itself year by year to make a name in the IT industry. With its dedicated team of professionals the company is planning to grow strength by strength. Due to the recent setback in USA and global recession in IT industry, the activities of the company were slightly affected. However, after launch of the new project on hand on which the work is in progress, the company will have its name reckoned with the industry.

2. Opportunities, threats risk and concerns

The Company is progressively in contact with end users of its products the work on which is continue and with the launch of these products, the Company expects more cliental base in its activities. The low economic growth worldwide may affect the activities of the company. However, with continuous technological advancement and measures taken for cost effectiveness for the company's product, the Company is expected to face the emerging challenges in a confident and optimistic manner.

3. Segment-wise or product-wise performance.

The Company recognizes software service as its only primary segment. The overall performance of the company is the segment wise performance of the company.

4. Business Outlook.

As a forward looking statement it can be noted that the company appears to heading better all round performance during the coming years. Towards this, the company is working on various software pack ages.

5. Internal Control System and their adequacy.

The Company has adequate internal control procedures commensurate with the size and nature of its business. The internal control system provides for policies, guidelines, authorization and procedures. The Audit Committee of the Board of Directors headed by an independent director periodically review the internal audit reports, significant risk area assessment and adequacy of internal controls for ensu ing checks and balances

6. Discussion on Financial Performance :

The financial results and performance for the year are elaborated in the Director's Report.

7. Human resources.

Harmonious relations continued to prevail throughout the year. The focus is on maintaining a high level of motivation and on leadership development and the number of employees are maintained according to business development.

8. Cautionary Statement :

This report contains estimates and expectations, which the company believes or may be consid ered to be Forward Looking Statements within the meaning of applicable laws and regulations. Actual results could differ or vary materially from those expressed or implied due to various factors.

For and on behalf of the Board

Place : Mumbai.
Date : 29th June, 2004

ANIL JAIN
Executive Director