

**INDO-CITY INFOTECH LIMITED****NOTICE**

NOTICE is hereby given that 13<sup>th</sup> Annual General Meeting of INDO-CITY INFOTECH LTD. will be held on Friday 30<sup>th</sup> September, 2005 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, 2005 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. Sandeep Sitani who retires by rotation and, being eligible, offers himself for reappointment.
3. To consider the reappointment 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.

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

Place: Mumbai

Dated: 17<sup>th</sup> August, 2005

(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. Members are requested to notify immediately changes in their respective addresses, if any, to the Company's Registrars quoting their Folio No.
3. The register of members and the share transfer book will remain closed from 27/09/2005 to 30/09/2005 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.
4. 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.
5. Shareholders are requested to please bring their Copies of Annual Report in the Meeting

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

Place: Mumbai

Dated: 17<sup>th</sup> August, 2005.

(Anil Jain)  
Executive Director

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**INFORMATION PURSUANT TO 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. Sandeep Sitani
Qualification & Age	: Chartered Accountant, 34 years
Expertise	: He is a qualified Chartered Accountant & has vast experience and immense knowledge in the financial matters. He has been associated with the financial sector for past several years. His experience will help the Company to grow more.
Other Directorship	: Indo-Castle Multimedia Limited

**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 packages.

**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 reviews the internal audit reports, significant risk area assessment and adequacy of internal controls for ensuring 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 considered 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 : 30<sup>th</sup> June, 2005**

**Anil Jain**

**Executive Director**

**INDO-CITY INFOTECH LIMITED****Report on Corporate Governance****1) Company's Philosophy:**

The Company has the principle of treating their shareholders as the most valued assets of the Company. The Company emphasizes in customer-focused creativity. The Company keeps on identifying the latest business requirements in terms of products etc. and fulfilling the requirements thereby enhancing the value of Company. The Company provides the customers with various dynamic productivity and with total satisfaction. The Company's core vision is to place belief in clients, customers, investors and associates. The Company is prompt in discharging its statutory obligations and duties. The Board has adequate representation of professional, qualified, Non – executive and Independent directors

**2) Board of Directors:**

The Composition of Board with reference to number of Executive, Non-executive and Independent Directors, meets the requirement of code of Corporate Governance.

**Composition and Category of Directors:**

Name	Category	No. of Board Meeting Attended	Attendance At last AGM	No. of Other Directorship	No. of other committees in which chairman / member	
					Member	Chairman
Sh. Anil Jain	Executive Director	17	Yes	5	—	—
Smt. Shashi Jain	Non-Executive Director	16	Yes	5	6	5
Sh. Manoj Bhomia	Non Executive Independent Director	16	Yes	1	6	1
Sh. Sandeep Kanoi	Non Executive Independent Director	17	Yes	1	6	—
Sh. Sandeep Sitani	Non Executive Independent Director	16	Yes	—	6	—
Dr. Ashok Goyal*	Non Executive Independent Additional Director	7	Yes	—	—	—

- \* During the year under review, Dr. Ashok Goyal resigned from the Board on 30<sup>th</sup> October, 2004. During the financial year 2004-2005, the Company has held 17 Board Meeting as against the minimum requirement of 4 meetings. The meetings were held on 21/04/2004, 05/05/2004, 29/06/2004, 30/07/2004, 24/08/2004, 13/09/2004, 01/10/2004, 25/10/2004, 30/10/2004, 24/11/2004, 07/12/2004, 31/12/2004, 29/01/2005, 16/02/2005, 19/02/2005, 28/02/2005, 18/03/2005.

**3) Audit Committee:**

During the year under review, Dr. Ashok Goyal resigned from the Board of Directors; hence the audit committee was reconstituted on 30.10.2004.

During the financial year 2004-05, the company held 3 meetings of the audit committee. The composition of committee and attendance are as under:-

Name	Category	No. of Meeting Attended
Smt. Shashi Jain	Non-Executive Director	3
Sh. Manoj Bhomia	Non Executive Independent Director	3
Sh. Sandeep Sitani	Non Executive Independent Director	3
Dr. Ashok Goyal *	Non Executive Independent Additional Director	1

**INDO-CITY INFOTECH LIMITED****The following were the major tasks assigned to the Audit Committee:**

- i. Review of Company's financial reporting process and financial statements i.e. quarterly and annual financial statements and ensure their compliance with the requirements of various authorities, before they are adopted by the Board.
- ii. Review of Accounting and financial policies and practices.
- iii. Review of internal control and internal audit system.
- iv. Recommendation to the Board of Directors the selection of Auditors, considering their independence and effectiveness, and approval of their fees for audit and for non-audit services.
- v. Discussion with Auditors on any significant findings and follow up thereon.
- vi. Considering and approving the present accounting principles and policies being followed by the Company, suggested changes in the same, if so required, and assessing whether the changes accepted by the management have been implemented.

The terms of reference stipulated by the Board to the Audit Committee are, as contained under Clause 49 of the Listing Agreement, as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on i) any changes in accounting policies and practices, ii) major accounting entries based on exercise of judgment by management, iii) qualifications in draft audit report, iv) significant adjustments arising out of audit, v) the going concern assumption, vi) compliance with accounting standards, vii) compliance with Stock Exchange and legal requirements concerning financial statements and viii) any related party transaction i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditors before the audit commences nature and scope of audit as well as had post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the creditors.

**4) Remuneration Committee**

During the year under review, Dr. Ashok Goyal\* resigned from the Board of Directors on 30/10/2004; hence the Remuneration Committee was reconstituted on 24.11.2004. In place of Dr. Ashok Goyal \* Mr. Sandeep Kanoi# was appointed as a member of the Remuneration Committee.

**Composition of Remuneration Committee and Attendance:**

Name	Category	No. of Meeting Attended
Smt. Shashi Jain #	Non-Executive Director	3
Sh. Manoj Bhomia	Non Executive Independent Director	3
Sh. Sandeep Sitani #	Non Executive Independent Director	3
Sh. Sandeep Kanoi #	Non Executive Independent Director	2
Dr. Ashok Goyal *	Non Executive Independent Additional Director	1

The remunerations paid to the Executive Directors is in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

Non-Executive Director: Non-Executive Directors have not been paid any sitting fees for attending Board and Committee meetings.