

**NINTH ANNUAL REPORT**  
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**ez-comm**

trade technologies ltd.

The B2B company <sup>TM</sup>

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## COMPANY INFORMATION

### BOARD OF DIRECTORS:

MR. SANJIV KHANDELWAL  
(Chairman & Managing Director)

MR. MOHAN M JAYAKAR

MRS. SHILPA KHANDELWAL

### SECRETARY:

MR. AMIT J. PAREKH

### LEGAL ADVISORS:

MESSRS. GAGRAT & COMPANY

### AUDITORS:

MESSRS. A. J. MEHTA & ASSOCIATES  
CHARTERED ACCOUNTANTS

SHAHMIRI BUILDING, 1ST FLOOR,  
PICKET ROAD, MUMBAI - 400 002

### BANKERS:

ABN-AMRO BANK

CORPORATION BANK

HDFC BANK

STATE BANK OF INDIA - SILVASSA

UNION BANK OF INDIA

### REGISTERED OFFICE:

4TH FLOOR, DOULATRAM MANSION  
RAMBHAU SALGAONKAR MARG  
COLABA, MUMBAI - 400 005.

TEL: 91-22-282 5252

FAX: 91-22-202 3563

E-MAIL: [ezcommindia@ezcommindia.com](mailto:ezcommindia@ezcommindia.com)

WEBSITE: [www.ezcommindia.com](http://www.ezcommindia.com) and [www.yarnsandfibers.com](http://www.yarnsandfibers.com)

**NOTICE**

**Notice** is hereby given that the **Ninth Annual General Meeting** of the members of ez-comm trade technologies limited will be held on Wednesday, the 11th day of September, 2002 at 10.00 a.m. at the Registered Office of the Company at 4th Floor, Doulatram Mansion, Rambhau Salgaonkar Marg, Colaba, Mumbai - 400 005 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31st March 2002 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mohan M. Jayakar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s A. J. Mehta & Associates as the Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By order of the Board of Directors**

**Sanjiv Khandelwal**  
*Chairman and Managing Director*

Mumbai: 30th July 2002.

**Registered Office:**

4th Floor, Doulatram Mansion  
Rambhau Salgaonkar Marg  
Colaba, Mumbai - 400 005.

**NOTES :**

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself and a proxy need not be a member. The proxy form, in order to be effective, must however be deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books will remain closed through 1st September 2002 to 11th September 2002 (both days inclusive).
3. Members are requested to sign at the place provided for the attendance slip annexed to the Proxy Form and hand over the slip at the entrance to the place of the meeting.
4. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easier identification of attendance at the meeting.
5. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the meeting.

**By order of the Board of Directors**

**Sanjiv Khandelwal**  
*Chairman and Managing Director*

Mumbai: 30th July 2002

**Registered Office :**

4th Floor, Doulatram Mansion  
Rambhau Salgaonkar Marg  
Colaba, Mumbai - 400 005.

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Statement of Accounts for the year ended the 31st March 2002.

<b>Financial Results: (In Rs.)</b>	<b>Year ended 31-03-2002</b>	<b>Year ended 31-03-2001</b>
Profit before depreciation	12,73,402	14,96,836
Depreciation	3,11,403	2,06,909
Profit before tax	9,61,999	12,89,927
Provision for taxation	0	0
Provision for Deferred Tax (Net)	(61,810)	0
Prior Period Adjustments	5,501	0
Profit after tax	9,05,690	12,89,927
Add : Surplus brought forward	12,89,927	0
<b>Balance carried to Balance Sheet</b>	<b>21,95,617</b>	<b>12,89,927</b>

**Income, Activities & Operations:**

During the year, the Company earned Rs. 61,53,712 as income from e-business and Rs. 1,58,646 as interest and other income. Compared to the previous year, the income has increased from Rs. 62,39,642 to Rs. 63,12,357.

The Company has spent sizeable resources in developing a range of Enterprise Softwares. The products include ezTrack for Supply Chain Management, ezServe for Customer Relationship Management, ezDirect for Knowledge Management, ezPro for team collaboration, and ezFx for Financial Content Management. The Company has also developed a unique solution for rapid deployment of Private Exchanges for companies globally.

Despite the global markets and the economy being in a recessionary mood, companies continue to invest in the latest technology. The Company expects better returns, development and progress in the coming time. The Company is also in discussions with a few multinational companies for selling the software products of the Company. The client list of the company has been growing and includes many well-known companies. The company expects to increase the value of the business from these clients.

The Company's work has been well recognised the world over. YamsandFibers was recently the subject of a case study at IMD, Lausanne, Switzerland. IMD is amongst the finest business schools in the world.

The company also has been empanelled by the Maharashtra Government to build an eGovernance IT infrastructure in the State.

The Company recently announced the formal launch of its Thin Client Solution based on the Linux platform (a type of an Operating System). Deploying this latest technology, Clients of the Company can reduce the Total Cost of Ownership of their Information Technology Infrastructure. This solution empowers clients to centralize their Data Management. It also eliminates the risk of virus attacks. In addition, it has a very strong Business Continuity Plan and Disaster Recovery Plan features.

**Dividend:**

The Directors do not recommend any dividend as it is a growing Company and the Company would like to conserve the reserves.

**Land:**

The Company has preferred an appeal in the Court of the Honourable Administrator, Dadra & Nagar Haveli at Silvassa, against the order of the Collector, Dadra & Nagar Haveli, rejecting the application of the Company

seeking N.A. permission in respect of the land for industrial purpose. The Company awaits results.

**Public Deposits:**

The Company has not accepted any Deposit within the meaning of Section 58A of The Companies Act, 1956 and the rules made thereunder during the year.

**Directors:**

Shri Mohan M. Jayakar retires by rotation and being eligible, offers himself for re-appointment.

**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:

- (i) That in the preparation of the accounts for the financial year ended 31st March 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were fairly reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2002 on a 'going concern' basis.

**Particulars of Employees:**

The Company has not paid any remuneration attracting the provision of Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956, as amended. Hence, there is no requirement to append any information to this report in this regard.

**Particulars of Energy Conservation, Technology absorption & Foreign Exchange Earnings and outgo:**

Since the Company has ventured into the e-commerce and software development business and there are no manufacturing activities, there are no particulars relating to conservation of energy and technology absorption. The following foreign exchange earnings and outgo were there during the year:

	In Rupees
Foreign Exchange used	3,12,081
Foreign Exchange earned	30,80,308

**Auditors:**

M/s A. J. Mehta & Associates, Chartered Accountants, Mumbai, the Auditors of the Company retire at the conclusion of the Annual General Meeting. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956. The Board recommends their re-appointment.

**Auditors' Report:**

The Auditors' Report is attached to the Balance Sheet as at 31st March 2002. As there are no employees who have served for more than five years, no provision is necessary for Gratuity in the accounts. Leave salary is paid

on actual basis; hence no provision is made for that either. The notes to the accounts referred to in the Auditors' Report are otherwise self-explanatory.

**Audit Committee:**

The Company has an Audit Committee comprising of Shri Sanjiv Khandelwal, Smt. Shilpa Khandelwal and Shri Mohan M. Jayakar. The constitution of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956. The Committee has powers similar to those stated in the Companies Act, 1956 and the listing agreements. The Company Secretary of the Company acts as Secretary to the Audit Committee.

**Acknowledgement:**

The Directors record their thanks to the Corporation Bank, State Bank of India - Silvassa, HDFC Bank, ABN-AMRO Bank, The Bank of Rajasthan Ltd. and Union Bank of India for their co-operation. The Directors also acknowledge the co-operation received from officers and staff of the Company.

**For and on behalf of the Board of Directors**

**Sanjiv Khandelwal**  
*Chairman and Managing Director*

Mumbai  
Dated: 30th July 2002

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**AUDITORS' REPORT**

To

The Members of **EZ-COMM TRADE TECHNOLOGIES LIMITED**

We have audited the attached Balance Sheet of **EZ-COMM TRADE TECHNOLOGIES LIMITED** as at March 31, 2002 and also the annexed Profit and Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

**We report as follows:**

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Manufacturing and other Companies (Auditor's Report) Order 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph (2) above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper Books of Account, as required by law have been kept by the Company, so far as it appears from examination of such books;
  - c) The Company's Balance Sheet and the Profit & Loss Account, dealt with by this Report, are in agreement with the Books of Account;
  - d) In our opinion, the Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable except Accounting Standard 15 regarding the provision of retirement benefits and leave salary the amount of which is unascertained;
  - e) On the basis of written representations received from the directors as on March 31, 2002 and taken on record by the Board of Directors, we report that none of the directors are, prime facie, disqualified as on March 31, 2002 from being appointed as director in terms of clause (g) of sub-section (1) to Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read together with the Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2002 and,
    - ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.

**For A. J. MEHTA & ASSOCIATES**  
Chartered Accountants

**(ATUL J. MEHTA)**  
Proprietor

Place: Mumbai  
Dated: June 26, 2002