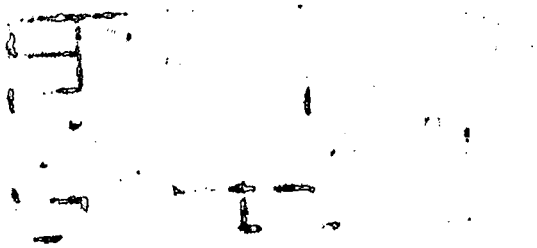


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ANNUAL REPORT

1997-98



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MD	<input checked="" type="checkbox"/>		RKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DFY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		OTV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		IC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SAI	<input checked="" type="checkbox"/>
VE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>

Mr. S. K. Rateria	Chairman & Managing Director
Mr. Ajoy Kedia	Wholetime Director
Mr. M. S. Rateria	Director
Mr. Rajesh Chopra	Director
Mrs. Saroj Rateria	Director
Mr. R. K. Maheshwari	Director
Mr. A. K. Dutta	Director
Mr. A. K. Sanyal	Director
Mr. S. K. Bhattacharjee	Nominee Director (WBFC)

COMPANY SECRETARY

Mr. Rajveer Singh

## BANKERS

## Punjab National Bank

## AUDITORS

M/s R. Singhi & Co.  
Chartered Accountants

REGISTERED OFFICE

77/2A, Hazra Road  
Calcutta-700 029

## WORKS

Survey No.2/2/2, Madhuban Dam Road  
Village Karad, Silvassa  
Union Territory of Dadra & Nagar Haveli



## NOTICE

**NOTICE is hereby given that the 11th Annual General Meeting of the Members of Computech International Limited will be held at Shripati Singhania Hall, 94/2, Jawahar Lal Nehru Road, Calcutta-700 020 on Friday the 25th day of September, 1998 at 11.00 A.M. to transact the following business:**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998 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 consider declaration of dividend on Redeemable Non-Cumulative Preference Shares and Equity Shares.
3. To appoint a director in place of Mr. M. S. Rateria, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Ajoy Kedia, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

## SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions :

### As an Ordinary Resolution :

6. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. R. K. Maheshwari, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of this 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. R. K. Maheshwari for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### As an Ordinary Resolution :

7. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. A. K. Dutta, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of this 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. A. K. Dutta for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### As an Ordinary Resolution :

8. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. A. K. Sanyal, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of this 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. A. K. Sanyal for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### As an Ordinary Resolution :

9. "RESOLVED THAT subject to the limits laid down under Section 198, 309 and 310 of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modification or re-enactment of the said Act & Schedule, consent of the Company be and is hereby accorded to the revision in the terms of remuneration paid and/or payable to Mr. S. K. Rateria, Chairman-Cum-Managing Director, with effect from 1st July, 1998 till the remaining period of his tenure i.e. upto 30th September, 2000 as set out in the explanatory statement annexed to the notice."



**As a Special Resolution :**

10. "RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the Articles of Association of the company be and are hereby altered in the manner that the words and figures "Rs. 250/- as may be decided by the Board" appearing in the second line of Article 108 be deleted and substituted by the words "such sum as may be decided by the Board from time to time subject to such limit as may be prescribed by the Act or the Central Govt. from time to time."

By Order of the Board

Place : Calcutta  
Date : 30th July, 1998

**Rajveer Singh**  
*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 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of item no. 6 to 10 as set out above is annexed hereto.
3. If dividend is declared at the meeting, payment of such dividend will be made on or after 20th October, 1998 to those shareholders or their mandatee(s) whose names appear in the Register of Members of the Company on 25th September, 1998.

Members are requested to inform, if not already intimated, their bank account number and name of bank/branch so that the same can be incorporated with their names in all dividend warrants to avoid their fraudulent encashment.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 16th day of Sept., 1998 to Friday, the 25th day of Sept., 1998 (both days inclusive) for the purpose of payment of dividend.
5. Members are requested to intimate, quoting their folio number, the change of their address, alongwith pin code number, if any, and PAN/GIR Number with income tax ward/range/district immediately to the Company besides changes, if any, in the dividend mandates.
6. Members are requested to intimate to the Company queries, if any, regarding these accounts/notice at least ten days before the Annual General Meeting in order to enable the Management to keep the information ready at the Meeting.



## ANNEXURE TO NOTICE

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

### Item No. 6

Mr. R. K. Maheshwari, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 29th June, 1998 vacates Office at the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose Mr. R. K. Maheshwari as a candidate for the office of Director. Mr. R. K. Maheshwari has filed his consent pursuant to Section 264(1) of the Companies Act, 1956 to act as a Director, if appointed.

The Board considers that having regard to wide knowledge and experience of Mr. Maheshwari as a professional in the commercial and industrial fields, it will be in the interest of the Company to appoint him as a Director of the Company.

The Board recommends adoption of the Resolution set out at item no. 6 of the notice.

Except Mr. R. K. Maheshwari, no other Director is concerned or interested in the Resolution.

### Item No. 7

Mr. A. K. Dutta, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 29th June, 1998, vacates Office at the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose Mr. A. K. Dutta as a candidate for the office of Director. Mr. A. K. Dutta has filed his consent pursuant to section 264 (1) of the Companies Act, 1956 to act as a Director, if appointed.

The Board considers that having regard to wide knowledge and vast experience of Mr. Dutta in IT industry in general and specifically in software development, it will be in the interest of the Company to appoint him as a Director of the Company.

The Board recommends adoption of the Resolution set out at item no. 7 of the notice.

Except Mr. A. K. Dutta, no other Director is concerned or interested in the Resolution.

### Item No. 8

Mr. A. K. Sanyal who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 29th June, 1998 vacates Office at the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose Mr. A. K. Sanyal as a candidate for the office of Director. Mr. A. K. Sanyal has filed his consent pursuant to Section 264 (1) of the companies Act, 1956 to act as a Director, if appointed.

The Board considers that having regard to wide knowledge and vast experience of Mr. Sanyal in IT industry it will be in the interest of the Company to appoint him as a Director of the Company.

The Board recommends adoption of the Resolution set out at item no. 8 of the notice.

Except Mr. A. K. Sanyal, no other Director is concerned or interested in the Resolution.

### Item No. 9

Mr. S. K. Rateria was appointed as Chairman-Cum-Managing Director of the Company with effect from 1st October, 1995 for a period of 5 years and the shareholders approved the appointment at the Annual General Meeting held on 30th September, 1995. The present remuneration payable to Mr. S. K. Rateria does not commensurate with his increased responsibilities, considering his valuable contribution towards overall growth in the size and business activities of the





Company. The activities of the Company has increased manifold with its expansion in the field of IT Industry. Mr. S. K. Rateria has vast experience and extensive knowledge in all functional areas. The Board of Directors in its meeting held on 29.06.98 approved the increased remuneration payable to Mr. S. K. Rateria w.e.f. 01.07.98 till the remaining period of his tenure i.e. upto 30th Sept., 2000. Pursuant to Section 310 of the Companies Act, 1956 read with Schedule XIII thereto, the increase in remuneration requires the approval of the members of the Company.

The increased remuneration payable by way of salary, perquisites and allowances are given as under :

- (a) Salary : Rs. 50,000/- per month.
- (b) Perquisites : In addition to the above salary, Mr. S. K. Rateria shall also be entitled to the following perquisites and facilities as detailed in categories (A), (B) & (C). Such perquisites will be subject to a maximum of 100% of his annual salary.

#### Category A :

1. Housing I : The expenditure by the Company on hiring furnished accommodation for Mr. S. K. Rateria will be subject to the following ceiling :-
    - : Sixty percent of the salary, over and above ten percent payable by Mr. S. K. Rateria.
  - Housing II : In case the accommodation is owned by the Company ten per cent of the salary of Mr. S. K. Rateria shall be deducted by the Company.
  - Housing III : In case no accommodation is provided by the Company, Mr. S. K. Rateria shall be entitled to house rent allowance subject to ceiling laid down in Housing I.
- Explanations : The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules. This shall, however, be subject to a ceiling of ten per cent of the salary of Mr. S. K. Rateria.
2. Medical Reimbursement : Expenses incurred for Mr. S. K. Rateria and his family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
  3. Leave Travel Concession : For Mr. S. K. Rateria and his family, once in a year incurred in accordance with the rules of the Company.
  4. Club Fees : Fees of Clubs subject to a maximum of two clubs. This will not include admission and Life membership fee.
  5. Personal Accident Insurance : Premium not to exceed Rs. 5,000/- per annum.
- Explanation : For the purpose of category "A", family means the spouse, the dependent children and dependent parents of Mr. S. K. Rateria.

#### Category B :

1. Contribution to provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the Ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable should not exceed half-a-month's salary for each completed year of service.
2. Encashment of leave as per the rules of the Company.

**Category C :**

Provision of free use of Chauffeur driven car for Company's business and telephone at residence will not be considered as perquisites. Personal long distance telephone calls will be billed by the Company to Mr. S. K. Rateria.

In the event of loss or inadequacy of profits in financial year during the currency of the tenure of the Chairman-Cum-Managing Director, the payment of salary, perquisites and other allowances shall be governed by limits prescribed under section II of part II of the schedule XIII of the Companies Act, 1956.

The other terms and conditions of appointment of the Chairman-Cum-Managing Director will remain same as set out in the agreement dated 30th September, 1995.

Your directors recommend adoption of the Resolution set out at item no. 9 of the notice.

Mr. S. K. Rateria is deemed to be concerned or interested in the Resolution which pertains to revision in the terms of remuneration payable to him. Further, Mr. M. S. Rateria and Mrs. Saroj Rateria, relatives of Mr. S. K. Rateria, are also deemed to be concerned or interested in the Resolution.

None of the other directors is concerned or interested in the Resolution.

The above may be treated as an abstract of the variation of the terms of contract/appointment between the Company and Mr. S. K. Rateria pursuant to Section 302 of the Companies Act, 1956.

**Item No. 10**

Article 108 of the Articles of Association of the Company provides payment of sitting fee subject to the maximum of Rs. 250/-. As per rule 10B of the Companies (Central Govt.'s) General Rules & Forms, 1956, the maximum of Rs. 2000/- can be paid as sitting fee to the directors. Considering the increased business activities of the Company, the directors have to put more attention and efforts for smooth functioning of operations of the Company. The Board of Directors proposed to increase the sitting fee in its meeting held on 29.06.98. For giving effect to the proposed increase in the sitting fees, the article 108 of the Articles of Association of the Company requires amendment. The proposed amendment is to include an enabling provision in the Articles of Association of the Company empowering the Board of Directors to increase/decrease the sitting fee subject to the limits prescribed by the Companies Act, 1956 or the Central Govt.

Pursuant to Section 31 of the Companies Act, 1956 alteration in the Articles of Association of the Company requires approval of the members by Special Resolution.

The Directors recommend adoption of the Resolution set out at item no. 10 of the notice.

All the Directors except Mr. S. K. Rateria and Mr. Ajoy Kedia may be treated as concerned or interested, being the Directors of the Company entitled for sitting fee.

By Order of the Board

Place : Calcutta  
Date : 30th July, 1998

**Rajveer Singh**  
Company Secretary





## DIRECTORS' REPORT

### To The Shareholders,

Your Directors are pleased to present their Eleventh Annual Report together with the Audited Accounts for the year ended 31st March, 1998.

### FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	1997-98	1996-97
Profit before interest and depreciation	1,058.93	780.92
Less : (a) Interest	284.20	166.53
(b) Depreciation	273.80	239.31
	558.00	405.84
Profit before Tax	500.93	375.08
Provision for Tax	3.00	NIL
Profit after Tax	497.93	375.08
Add : Balance brought forward	262.36	225.43
	760.29	600.51

### APPROPRIATIONS

(a) Proposed Dividend	125.60	125.59
(b) General Reserve	200.00	200.00
(c) Provision for tax on Proposed Dividend	12.56	12.56
(d) Balance carried over to next year	422.13	262.36
	760.29	600.51

### DIVIDEND

Your Directors are pleased to recommend dividend @ 9% on Preference Shares and @ 12.5% on Equity Shares for the year ending 31st March, 1998.

### OPERATIONS

During the year under review, all the divisions of the Company performed satisfactorily. The Company achieved a turnover of Rs. 5584 lacs registering a substantial growth of 120% as compared to previous year's turnover of Rs. 2537 lacs. The net profit after tax increased to Rs. 498 lacs as compared to Rs. 375 lacs in the previous year.

The Software & Seismic Division registered a growth of 95% in the exports from Rs. 698 lacs in 1996-97 to Rs. 1364 lacs in current year.



Your Directors are pleased to inform you that Computer Systems assembled at its Silvassa Plant have been well received in the domestic market due to better quality and attractive prices.

The performance of Registrar & Transfer Agency Division remained satisfactory despite the adverse conditions in the Capital Market. The Transport Division and Agency Division of the Company have performed satisfactorily during the year under review.

### PERFORMANCE VS PROJECTIONS

The financial projections for the year ended 31st March, 1998 as indicated in the Company's Prospectus dated 14th September, 1995 and the actual performance for the year ended 31st March, 1998 are as under :

	Projected	Actual
Total Income (Rs. in lacs)	3,061.87	6,643.31
Profit After Tax (Rs. in lacs)	598.56	497.93
Earning Per Share (Rs.)	5.97	4.97

The difference between actual performance with Projections is due to :

- (a) Regular fall in the International Prices of Computer Systems and accessories resulting in lower margins.
- (b) Higher financial charges and depreciation.

### BUSINESS DEVELOPMENT

The Company is in advanced stage of entering into the segment of Enterprise Resource Planning (ERP) packages development with a major thrust on the export market. ERP Packages already developed by the Company have found its applications in the small and medium size corporate houses. The Company proposes to make a capital investment of Rs. 500 lacs to create infrastructure for this project which will have substantial impact on the performance of the Company after implementation of the project.

### FUTURE OUTLOOK

The Company intends to have its presence felt as a leading player in the field of Information Technology and accordingly, has decided to focus its target in the key business areas of Software and Hardware. As per the recent survey made by the Department of Commerce, United States of America the demand of Personal Computers in India is expected to reach at a phenomenal level of 3 million pcs. in the year 2001. To meet the ever increasing demand, the Directors are pleased to report continued progress on the concrete steps initiated in the key business area, which supports your Company's rapid growth.

- Enhanced market presence through rapid launch of new and latest products to meet specific needs of the domestic market.
- Improving Consumer awareness about Company's products including Computer Systems, Software packages and Seismic Datas.
- Consolidation and further strengthening of Sales & Distribution Network with greater emphasis in smaller towns and new business areas.
- An ambitious manpower development programme across all disciplines of the Company.

Your company's performance is set to improve in the current year inspite of the severe competition in the field of IT Industry in view of the above measures.