



**ANNUAL REPORT AND  
ACCOUNTS 2000-2001**

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#### **BOARD OF DIRECTORS**

Mr. S. K. Rateria  
Mrs. Saroj Rateria  
Mr. A. K. Sanyal  
Mr. Dale Tower (Alt. Mr. H. Kundalia)  
Miss Sneha Rateria  
Mr. S. Ray Chaudhuri  
Mr. A. K. Kedia  
Mr. Vijay Moza

*Chairman & Managing Director*  
*Director*  
*Director*  
*Director*  
*Executive Director*  
*Executive Director*  
*Executive Director*

#### **COMPANY SECRETARY**

Mr. T. C. Jain

#### **BANKERS**

Punjab National Bank  
Dena Bank

#### **AUDITORS**

M/s. Singhi & Co.  
Chartered Accountants

#### **REGISTERED OFFICE**

77/2A, Hazra Road  
Kolkata-700 029  
Phone : 476-7350 to 7354  
Fax : 474-7674  
E-mail : computec@cal.vsnl.net.in  
Website : www.computeintl.com

#### **WORKS**

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



## SHAREHOLDERS INFORMATION

The Securities and Exchange Board of India (SEBI) has introduced a comprehensive code of Corporate Governance, implemented by amendment to the Listing Agreement. These are to be implemented by the Company by 31st March, 2002. However, we are giving following information in the interest of members.

### ANNUAL GENERAL MEETING

Date and Time : Friday, 28th September, 2001 at 11.00 a.m.  
Venue : GYAN MANCH, 11, Pretoria Street, Kolkata-700 017

### Date of Book Closure

Tuesday, 18th September 2001 to Friday, 28th September, 2001 (both days inclusive).

### Last date of submission of Mandate/Bank particulars

On or before 27.9.2001

### Proposed Dividend

The dividend of Rs. 0.25 (5%) per share has been recommended by the Board of Directors on 2,30,42,142 Equity Shares of Rs. 5/- each. The dividend upon declaration by the members at the forthcoming AGM, would be despatched to the registered address of the members on or before 27th October, 2001.

### Listing and Trading of Shares of the Company

In order to impart liquidity and convenience for trading, Equity Shares of the Company are listed at the following Stock Exchanges. The annual listing fees for 2000-2001 have been paid to all Stock Exchanges where the shares are listed.

Name of the Stock Exchanges where the Equity shares of the Company listed	Stock Code
Calcutta Stock Exchange Association Ltd.	13089
The Stock Exchange, Mumbai	31224
National Stock Exchange of India Ltd.	Computech - EQ

The Company applied for delisting of its equity shares from Delhi Stock Exchange Association Ltd., The Stock Exchange, Ahmedabad and Jaipur Stock Exchange Ltd. on 21st February, 2000.

### Dematerialisation of Shares

The Company's equity shares have been inducted into Depository System of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as an eligible security under the Depository Act, 1996. Facilities for dematerialisation of the Company's shares have already become fully operational vide ISIN-INE 751A 01028 (both the depositories).

2,00,30,480 i.e. 87% equity shares have been dematerialised upto 30th April, 2001. As per notification issued by SEBI, trading in the equity shares of the Company are permitted only in dematerialised form from 24th July, 2000.

### Board of Directors

The Board has presently eight members, including CMD there are four Executive Directors. The Board met 7 times during the year 2000-2001.

### Audit Committee

The Company has formed an Audit Committee on 15th January, 2001. Mr. H. Kundalia, Mr. A. K. Sanyal and Mrs. S. Rateria are present members of the committee. The committee met only once during the year under the chairmanship of Mr. H. Kundalia.

**Share Transfer Committee**

The Company has no external Registrar or Share Transfer Agent. All such work is done in-house at the Registered Office of the Company. The Company constituted a Share Transfer Committee, members of which are Mr. S. K. Rateria, Mrs. Saroj Rateria and Mr. A. K. Kedia to look after the same. Share Transfer Committee met 30 times and transferred 42,22,500 shares and returned 82,800 shares as bad delivery in physical form during the year 2000-2001.

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Company has a system of attending and redressing all investors' requests and/or grievances/complaints within a period of 7-10 days from the date of receipt of the same. No complaints/grievances are pending as on date. The Company send regular reminders to those shareholders whose names appear in the unclaimed dividend list.

**Compensation Committee**

The company constituted a Compensation Committee for administration and superintendence of Employees Stock Option Scheme (ESOS) under SEBI (ESOS & ESPS) Guidelines, 1999. Present members are Mr. H. Kundalia, Mr. S. Ray Chaudhuri and Mr. A. K. Sanyal. The Committee meets as and when necessary.

**Committee of Directors**

The Company formed a Committee comprising Mr. S. K. Rateria, Mr. A. K. Kedia and Mr. S. Ray Chaudhuri to deal with following as and when required (a) to open new Bank A/c. (b) to change the signatories for operating any existing bank a/c (c) to avail loans and/or financial assistance upto Rs. 50 crores at any point of time (d) to invest the fund of the Company in shares and/or debentures of any company upto Rs. 20 crores at any point of time (e) To execute and sign tender documents (f) to give authority for day to day affairs of the Company. The Committee meets as and when necessary. The minutes of all meetings of the Committee are placed and ratified at subsequent Board Meeting.

**Review and Audit of Registrar & Share Transfer Division**

An independent audit by a practising Company Secretary, has been introduced, which covers inter alia the procedures followed for transfer, transmission of the equity shares, stock reconciliation of blank share certificates and Dividend warrants, issue of duplicate shares, non-receipt of dividend dematerialisation formalities, queries of shareholders, SEBI, Stock Exchanges, Registrar of Companies, Company Law Board etc. The Company has complied with the requirements of Clause 47 of the Listing Agreement with the Stock Exchanges. The Company has also complied with the requirements of NSDL & CDSL.

**Means of Communication**

All Notices and quarterly results are generally published in the Financial Express (English daily) and Kalantar (Bengali daily).

**Investor Correspondence**

Shareholders can correspond with the Company Secretary of the Company.



## NOTICE

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the Members of Computech International Limited will be held at Gyan Manch, 11, Pretoria Street, Kolkata-700 071 on Friday, the 28<sup>th</sup> September, 2001 at 11.00 A.M. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2001 and Profit & 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 Equity Shares.
3. To appoint a Director in place of Mrs. Saroj Rateria, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Dale Tower, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Registered Office :  
77/2A, Hazra Road  
Kolkata-700 029  
Dated : 30<sup>th</sup> April 2001

By order of the Board  
T. C. JAIN  
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. Dividend, if any, that may be declared at the meeting, shall be paid (except dividend which is to be kept in abeyance as per the provisions of Section 206A of the Companies Act 1956) to those members, whose names shall appear in the Register of Members or in the beneficiaries list of the Depositories on 28<sup>th</sup> September, 2001. 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 fraudulent encashment.
3. Members are requested to :
  - i) intimate the Company 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 Tuesday, 18<sup>th</sup> September, 2001 to Friday, the 28<sup>th</sup> September, 2001 (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.



4. 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 to get the new share certificates of face value of Rs. 5 each.
5. Details of the Directors seeking Appointment / Reappointment in the 14<sup>th</sup> Annual General Meeting.

Name of Director	Mrs. Saroj Rateria	Mr. Dale Tower
Date of Birth	4th May, 1955	16th June, 1926
Date of Appointment	29th August 1996	1st April 1999
Date of last appointment/ re-appointment	28th September 1999	Not applicable
Qualification	B.Com	Degree in Business Administration & Electronics Engineering from U.S.A.
Experts in Specific Functional area	Having over 20 years experience in the business of Silver items, designing and export. She is Director of Explochem (India) Ltd and Silvery Designers Pvt Ltd.	He is US Citizen and having over 53 years vast experience in Computer Industry. He has worked in very senior position including as Director of various famous Computer Industries in USA and abroad. He has worked as Project Engineer in Bendix Corp., manufacturer & representative of Everitt Associates Inc., President & Owner of Tower Engineering Co., Pico U.S.A. Inc., Automatic Telephone Corp., S.C.R. Inc. and Pacific Expotech Inc., Director & Stockholder of World Engines Inc., Telefile Inc., American Radio Inc., Denalcor Inc.



## DIRECTORS' REPORT

### To The Shareholders,

Your Directors have pleasure in presenting their fourteenth Annual Report together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2001.

### FINANCIAL HIGHLIGHTS

Your Company's performance during 2000-2001 is summarised below :

	(Rs. in Million)	
	2000-2001	1999-2000
Gross Turnover	1191.60	807.28
Operating Profit (PBITD)	219.39	265.77
Interest	37.92	59.73
Depreciation	43.73	36.80
Profit Before Tax	137.73	169.24
Provision for Tax	0.35	1.18
Profit After Tax	137.38	168.06
Transfer to General Reserve	-	50.00
Dividend on Equity Shares (including tax)	6.35	22.25
Profit & Loss Account Balance Carried Forward	303.30	147.78

### DIVIDEND

Your Directors are pleased to recommend dividend for the year 2000-2001 @ 5% on equity shares.

### PERFORMANCE, OPERATIONS AND FUTURE OUTLOOK

During the year under review, your company achieved a turnover of Rs. 1191.60 millions registering a growth of 48 % over previous year's turnover of Rs. 807.28 millions and net profit of Rs. 137.38 millions against Rs. 168.06 millions in previous year. Despite increase in turnover, the profitability declined due to extremely competitive scenario in the market and increase in cost.

In a year when the economy was at its worst and corporate investment was constrained, the Home segment turned out to be a major buyer for the PC industry. The segment has shown remarkable growth followed by Small Business and Small Offices. These three segments captured more than 51% of the market in 2000-01. High prices vis-à-vis similarly configured Desktop PCs remain the main deterrent.

Your company has launched a new series of Desktop PCs called "Compubell" which has been well received across the country. A total of 13021 systems were sold in the financial year, aggregating a turnover of Hardware Division of Rs.45.16 crores.

With a slew of new products, the target is set at clocking 22,000 systems for 2001-02 and improvising upon net margins, while working on cost reductions.

### INVESTMENTS

Your Company has made a strategic investment in acquiring 48% equity shares of ABC Computers Pvt. Ltd., a company registered as Category I Registrar and Share Transfer Agent under SEBI.

### ALLOTMENT OF EQUITY SHARES ON PREFERENTIAL BASIS

During the period the company has allotted 30 lacs equity shares of Rs.5 each at a premium of Rs.108 each on Preferential basis to the Promoters (6,16,500 equity shares) and others (23,83,500 equity shares) as per resolution passed by the shareholders on 22<sup>nd</sup> July, 2000 and relevant SEBI guidelines. The present equity share capital of the company is Rs.11,52,10,710.

### EMPLOYEES STOCK OPTIONS SCHEME (ESOS)

The company has granted 1,02,100 stock options to its employees on 31.3.2000 at a price of Rs.12 per share (Rs. 5 as face value and Rs. 7 as premium) as certified by Mumbai Stock Exchange in accordance with SEBI guidelines. The earliest option being exercisable on 1.4.2001, no beneficiary has exercised the options as on 30.4.2001. The company is using the ESOS as a motivating tool to propel employees to higher levels of performance.

### DEBENTURES

The company has redeemed 16.5% Non Convertible Debentures of Rs.49 millions during the year.



### DEPOSITORY SYSTEM

The shares of the company are in the list of SEBI for compulsory trading in dematerialised form for all investors from 24<sup>th</sup> July, 2000. The company's equity shares have been inducted into the Depository System of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) as eligible security under the Depository Act, 1996. Facilities for dematerialisation of the company's shares have already become fully operational vide ISIN – INE 751A01028 at both the depositories.

As on 31<sup>st</sup> March, 2001, total 1,94,23,446 nos. of equity shares i.e. 84% of the equity shares of your company have been dematerialised.

### CORPORATE GOVERNANCE

Securities and Exchange Board of India (SEBI) have prescribed guidelines on Corporate Governance by an amendment to the Listing Agreement, by inserting Clause 49 to the Listing Agreement. We have to implement this within the Financial Year 2001-2002, process for which has already been started. The company has already formed Audit Committee, members of which are Sri H Kundalia, Sri A K Sanyal and Mrs. Saroj Rateria.

### DELISTING OF SHARES

As per resolution passed by members in Extra Ordinary General Meeting held on 14.2.2000, application has been made for delisting of its equity shares from Delhi, Ahmedabad and Jaipur Stock Exchanges on 21.2.2000 and necessary formalities have been complied with.

Equity shares of the company are presently listed in Calcutta, Mumbai and National Stock Exchanges and annual fees upto 31.3.2001 has been paid.

### RESPONSIBILITY STATEMENT

In preparation of annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures wherever necessary.

Such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit for the year.

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safe guarding the assets of the company and for preventing any other irregularities.

Accounts have been prepared on a going concern basis.

### DIRECTORS

Mr R K Maheshwari and Mr N D J Rao resigned from the Board on 30th April, 2001. The Board records its appreciation for the services rendered by them during their tenure as Directors of the company.

Miss Sneha Rateria, young dynamic personality in computer, bullion & silver designing and trading was appointed as a Director on 30<sup>th</sup> April, 2001 to fill the vacancy caused by the resignation of Mr N D J Rao.

Mrs Saroj Rateria and Mr Dale Tower retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

### AUDITORS' REPORT

The Auditors in their report have referred to the notes forming part of the Accounts. The said notes are self-explanatory and need no further elucidation.

### AUDITORS

The Auditors M/s.Singhi & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### PERSONNEL

The relationship with the employees at the Plant, Head Office and Branch Offices has been cordial throughout the year. The Board records its appreciation to the useful contribution made by all the employees.

### PARTICULARS OF EMPLOYEES

Particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 are annexed hereto (Annexure "A") and form part of this Report.

### ADDITIONAL INFORMATIONS

The additional information required to be furnished under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 to the extent applicable to the company are given in Annexure "B".



**ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation for the whole hearted co-operation and support extended by its Shareholders, Bankers, Financial Institutions, Customers and Other Associates.

Place : Kolkata  
Date : 30<sup>th</sup> April, 2001

For and on behalf of the Board  
**S. K RATERIA**  
Chairman & Managing Director

**ANNEXURE "A" TO DIRECTORS' REPORT**

Statement of particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2001.

Name	Age (years)	Designation	Gross Remuneration (Rs.)	Qualification	Experience (years)	Date of commencement of employment	Previous employment held
Mr. S. K. Rateria	45	Chairman & Managing Director	12,48,000	B.Com	24	01.04.1990	Prior to this ran own business

- The appointment is contractual and subject to Rules and Regulations of the company.
- Remuneration includes Salary, Allowances, taxable value of perquisites and other facilities as per Income Tax Act.
- Mr S. K. Rateria is relative of Mrs Saroj Rateria, and Miss Sneha Rateria Directors of the company.

**ANNEXURE "B" TO DIRECTORS' REPORT**

Particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

**1. Technology Absorption****1.1 Research and Development**

During the year under review the company's efforts were mainly directed towards customer driven developmental activity. Expenditure on R&D during the financial year 2000-2001 is as under :

- Capital Nil
- Recurring Nil

**1.2 Technology absorption, adaptation and innovation**

There is no technical collaboration. The company is manufacturing with the help of in-house developed technology. The company has taken steps to keep abreast with the latest technical development in the key business areas by deputing employees for attending seminars and workshops.

**2. Foreign Exchange Earning and Outflow**

The Company's total foreign exchange earnings and out flow are as contained in item no. B14(b&c) of Schedule 23 to the Accounts.

Place : Kolkata  
Date : 30<sup>th</sup> April, 2001

For and on behalf of the Board  
**S. K RATERIA**  
Chairman & Managing Director