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COMPUTECH INTERNATIONAL LIMITED
Regd. Office : 77/2A, Hazra Road, Kolkata - 700 029

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ANNUAL REPORT AND ACCOUNTS 2001-2002

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BOARD OF DIRECTORS

Mr. S. K. Rateria
Mrs. Saroj Rateria
Mr. A. K. Kedia
Mr. Dale Tower
Prof. A. K. Dutta
Mr. R. C. Gattani
Mr. S. K. Kanoria

Chairman & Managing Director
Director
Executive Director
Director
Director
Director
Director

COMPANY SECRETARY

Mr. S. P. Yadav

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.computechintl.com

WORKS

13, Broad Street
Kolkata-700 019
Phone : 240 5518/19/20
Fax : 240-5517



NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Members of Computech International Limited will be held at Madhusudan Manch, Dakshinapan, Dhakuria, Kolkata 700 031 on Friday, the 27th September, 2002 at 11.00 A.M. to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2002 and Profit & Loss Account of the Company for the year ended on that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr A K Kedia, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint M/s. Singhi & Co., Chartered Accountants as Auditors and fix their remuneration.

SPECIAL BUSINESS

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

As Ordinary Resolution

4. "RESOLVED THAT Prof. A K Dutta appointed as a Director on 3rd August, 2001 to fill in the casual vacancy caused by the resignation of Mr. S Ray Chaudhuri and who vacates office on the date of ensuing Annual General Meeting, as Mr S Ray Choudhuri in whose place Prof. A K Dutta was appointed vacates his office on the date of this Annual General Meeting had he continued his office, be and is hereby appointed a Director of the company retiring by rotation."
5. "RESOLVED THAT Mr S K Kanoria, who was appointed by the Board of Directors as an additional Director of the Company in its meeting and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr S K Kanoria for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. "RESOLVED THAT Mr R C Gattani, who was appointed by the Board of Directors as an additional Director of the Company in its meeting and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr R C Gattani for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

Registered Office :
77/2A Hazra Road
Kolkata 700 029
Dated : 14th June, 2002

By order of the Board
S P Yadav
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 4, 5 & 6 as set out above is annexed hereto.
3. Members are requested to :
 - i) intimate the Company immediately, if there is any change in their address (including Pin Code), mandate, 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, the 17th September, 2002 to Friday, the 27th September, 2002 (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. Appointment/Re-appointment of Directors

Prof. A K Dutta was appointed as a Director of the Company to fill up the casual vacancy caused by resignation of Mr S Ray Choudhuri on 3rd August, 2001 and Mr S K Kanoria and Mr R C Gattani who have been appointed as additional directors by the Board of Directors and proposed to be appointed as directors by the shareholders at the ensuing Annual General Meeting as required under the Companies Act, 1956. The information or details to be provided under Corporate Governance code for the aforesaid directors are as under :

Professor A K Dutta

Professor A K Dutta aged about 55 years is a first Dean of VGSOM, IIT, Kharagpur. Now he is a Director of first Management Institute of the country, the Indian Institute of Social Welfare and Business Management, Calcutta. He is also the Chairman of All India.Com Ltd and MSTC. He has vast experience in Business Management and Information Technology Industry.

Mr A K Kedia

Mr A K Kedia, aged about 46 years is a Commerce graduate having more than 25 years experience in the field of Finance, Accounts, Export and Import. He has also vast experience in Computer, Registrar & Share Transfer business. He is also Director of Polar International Ltd.

Mr S K Kanoria

Mr S K Kanoria, aged about 46 years is a Commerce graduate having more than 25 years experience in the field of Finance, Accounts and Marketing. He also has vast experience in transport, packaging and plywood industries. He is Managing Director of Garuda Shipping & Carriers Ltd.

Mr R C Gattani

Mr R C Gattani, aged about 55 years is a Bachelor of Engineering and has vast experience in various industries as Senior Management Executives. He has also vast knowledge in Computer, Registrar and Share Transfer business. He is an Executive Director of ABC Computers Pvt Ltd and Director of VIPRA Exports Pvt. Ltd.



ANNEXURE TO NOTICE

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

Item No. 4

Professor A K Dutta was appointed a Director by the Board of the Company with effect from 3rd August, 2001 to fill the casual vacancy caused by Shri S Ray Chaudhuri ceasing to be a Director. Pursuant to Section 262 of the Act read with Article 105 of the Articles of Association of the Company, Prof. A K Dutta will hold office only up to the date up to which Shri S Ray Chaudhuri would have held i.e. up to the date of the ensuing Annual General Meeting.

Notice u/s. 257 of the Companies Act, 1956 has been received from a member of the company signifying his intention to propose Prof. A K Dutta as a candidate for the office of Director.

The Board feels that having regard to the vast knowledge and experience of Prof. A K Dutta in Business Management and Information Technology Industry, it will be in the interest of the company to appoint him as a Director of the company.

Prof. A K Dutta is eligible for appointment as Director.

The Board recommends adoption of the Resolution set out at Item 4 of the notice.

Except Prof. A K Dutta, no other Director is concerned or interested in the resolution.

Item No. 5

Mr S K Kanoria, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 25th January, 2002 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 S K Kanoria as a candidate for the office of Director. Mr S K Kanoria has filed his consent pursuant to section 264(1) of the Companies Act, 1956 to act as a Director, if appointed.

The Board feels that having regard to the wide knowledge and experience of Mr S K Kanoria in the field of Finance, Accounts, Marketing and in the business of transport, packaging and plywood business, 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 5 of the notice.

Except Mr S K Kanoria, no other Director is concerned or interested in the Resolution.

Item No. 6

Mr R C Gattani, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 25th January, 2002 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 C Gattani as a candidate for the office of Director. Mr R C Gattani 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 vast knowledge and experience of Mr R C Gattani in the field of Computer, Registrar and Share Transfer business, 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 6 of the notice.

Except Mr R C Gattani, no other Director is concerned or interested in the Resolution.

Registered Office :
77/2A Hazra Road
Kolkata 700 029
Dated : 14th June, 2002

By order of the Board
S P Yadav
Company Secretary



DIRECTORS' REPORT

To The Shareholders,

Your Directors have pleasure in presenting their fifteenth Annual Report together with the Audited Financial Accounts for the year ended 31st March, 2002.

FINANCIAL HIGHLIGHTS

Your Company's performance during 2001-2002 is summarised below :

	(Rs. In Million)	
	<u>2001-2002</u>	<u>2000-2001</u>
Gross Turnover	988.90	1191.60
Operating Profit (PBITD)	98.65	219.39
Interest	33.07	37.92
Depreciation	55.63	43.73
Profit Before Tax	99.52	137.73
Provision for Tax	4.86	0.35
Profit After Tax	50.89	137.38
Dividend (including tax)	-	6.35
Profit & Loss Account Balance Carried Forward	309.39	303.30

DIVIDEND

The Directors regret their inability to recommend any dividend in view of inadequacy of profits for the year ended 31st March, 2002.

MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

The company has earned net Profit of Rs.50.89 million in comparison to the last year's Profit of Rs.137.38 Due to the poor economic conditions prevailing in India and across the world, the IT sector / Industry has been affected badly. In spite of our best efforts and cost reduction measures taken up there has been a serious decline in the Profits during the year 2001-2002. We hope to achieve a turn around in the near future.

Business Review

IT Business

The IT Industry/sector in India has a high dependency on the US market. Many US companies are now making a major correction in their business plans as they adjust their manpower and control expenditure in response to the sudden and sharp slowdown. Once this correction process is complete, we foresee huge potentials for export of IT services specially in light of the encouraging steps taken by government by way of liberalizing the economy, simplification of procedures and providing state of the art infrastructure for development of IT industry.

R&T Business

During the year 2001-2002 also there was a downturn in the R&T business. On the face of sluggish economy and other factors, Public Issues are not forthcoming. The present situation has become stagnant. Unless there is a revival in the capital market the situation does not appear to improve.

Opportunities

IT Business

With the comparative advantage of committed work force, lower cost and long existence in the field, your company seems to perform better in time to come.



R&T Business

The compulsory dematerialisation of securities in the Indian stock market has adversely affected the business but it has also provided opportunities to render Depository Registrar services to corporate clients for their equity and debt instruments.

The R&T division at New Delhi has been re-certified with the new and improved ISO 9001:2000 standards by Debt Norsicc Veritas (DNV) of Netherlands which is leading certifying body for internationally recognised ISO standards. With this quality certification we see a favourable growth scenario.

Threats

IT Business

Your company is currently facing challenges from recent slowdown in IT market which is over and above normal competition from other established IT industry / sector. However, your directors with the comparative advantages, hope to achieve a better position in comparison to its competitors in a short span of time.

R&T Business

With stiff competition and under cutting, we are passing through a tough phase. By man power rationalisation, we have attempted to somehow retrieve the position.

Outlook

IT Business

The IT Industry worldwide is expected to register substantial growth in the long run. The company with its capabilities is expected to benefit significantly from these positive trends.

R&T Business

Although the future of the business doesn't seem to be very promising but the quality enjoys the recognition and performer always find their survival. Your directors keep a positive approach and hope that with the improvement in the securities market the business will revive.

Risk & concerns

IT Business

The company is expected to the normal risk factors of business mix, customer concentration, economic cycle, efforts of changes in foreign currency, exchange rates, credit spread, liquidity, etc.

R&T Business

As already mentioned, to retain business is uphill task because of competitive rates there is a risk of losing business and which we are resolving by providing better, prompt and value added services.

ADEQUACY OF INTERNAL CONTROLS

The company has a proper and adequate system of internal controls to ensure that all of its assets are safeguard and protected against loss from unauthorised use of disposition, transaction are authorised, recorded and reported correctly. The management has implemented an integrated computerised management information system encompassing all functional areas. The job process and internal control are so designed to ensure proper checks and balances for eradication of errors and faults. The internal control system is supplemented by internal audits, review by management, documented policies and procedures.

HUMAN RESOURCES OF THE COMPANY

Your company believes that people constitute the strength of an organisation. The company is committed to the welfare of its people by providing the best possible work environment. The company is also providing continuous learning and personal development opportunities, by arranging regular training and all around exposure to its people, which in turn has given your company a team of able and experienced professionals besides, the employees at all levels have actively participated in the effort to sustain and improve the performance of the company even in the most difficult times.

There is no employee coming under the purview of Section 217(2A) of the Companies Act, 1956.



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. A separate report on Corporate Governance is annexed as a part of this Annual Report.

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 and detecting fraud and other irregularities.

Accounts have been prepared on a going concern basis.

COST SAVINGS MEASURES

To bring cost effectiveness and to withstand the falling margins in hardware division, your directors have taken the following measures :-

- a) to introduce distributors in regions spread all over India and discontinue the system of maintaining branch offices. In the first step the offices in the Southern areas have been done away with namely in Hyderabad, Bangalore and Chennai.
- b) to close the factory at Silvassa (owing to discontinuance of tax benefits) and bring it to Calcutta to have the advantages of the port and the market.

DIRECTORS

Mr S Ray Choudhuri, Executive Director resigned from the Board on 3/8/01. Mr V Moza, Executive Director, Mr A K Sanyal and Miss Sneha Rateria, Directors of the company resigned from the Board on 21/11/01 and Mr H Kundalia resigned on 25/1/02. The Board records its appreciation for the services rendered by them during the tenure as Directors of the company.

Prof. A K Dutta, first dean of VGSOM, IIT Kharagpur now, a Director of the first Management Institute of the country the Indian Social Welfare and Business Management, Calcutta was appointed as a Director to fill up the casual vacancy caused by the resignation of Mr S Ray Choudhuri on 3/8/01. Prof. Dutta retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

Mr Sanjay Kanoria, a Commerce graduate having more than 25 years experience in the field of Finance, Accounts and Marketing and has vast experience in transport, packing and plywood industries and Mr. Ramesh Chandra Gattani, an Engineer and has vast experience in various industries as Senior Management Executive, have been appointed as Additional Directors w.e.f. 25/1/02.

Mr A K Kedia, a Commerce graduate having more than 25 years experience in the field of Finance, Accounts, Exports and Import with vast experience in Computer, Register & Share Transfer business retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

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.



ADDITIONAL INFORMATION

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 "A".

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 : 14th June, 2002

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

ANNEXURE "A" 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 :

- | | |
|--------------|-----|
| a) Capital | Nil |
| b) 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

During the year ended 31st March, 2002 the company was able to register export earnings of Rs.364.22 million for its various products and services. We hope to achieve better result in the coming year. There was a fall in export earning during the year which was consequential to the overall global depression in IT industries. The total Foreign Exchange outgo during the same period amounted to Rs.510.65 million on import of raw materials, components, software, seismic data, travelling and others. The particulars of foreign exchange utilised/earned during the year are given under Clause B22 of the Schedule 23 on notes on accounts.

Place : Kolkata
Date : 14th June, 2002

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

CORPORATE GOVERNANCE REPORT

1. Philosophy

Good Corporate Governance ensure that the company operates not only within the regulatory frame work, but is also guided by ethics. Corporate Governance refers to a combination of laws, regulations, procedures, unimplicit rules and voluntary practices that enables companies to attract financial and human resource and also brings benefits to investors, customers, creditors, employees and the society. Corporate Governance rests upon four pillars viz. transparency, full-disclosure, independent monitoring and being fair to all, especially to minority shareholders. Securities and Exchange Board of India (SEBI) has introduced a Comprehensive Code of Corporate Governance, implemented by amendment Clause 49 to the Listing Agreement with Stock Exchanges. In compliance with that clause the company hereby provides to the shareholders the detailed report on Corporate Governance.

2. Board of Directors

The Board has presently seven members, five of whom are Non-Executives. All the Non-Executive Directors except Mrs Saroj Rateria are independent ie. they have no business relationship with the company, its promoters, its management or its subsidiaries. The Board members posses the skills, experience and expertise necessary to guide the company. Normally the Board meets once a quarter to review the quarterly results and other items on the Agenda. Sometime additional board meetings are also held under exigencies. The Board met 4 times during the year 2001-2002. Agenda papers were sent to all the Directors well in advance of each meeting. The company placed before the Board all statutory and other important items recommended by SEBI on Corporate Governance.

The particulars of the Directors and the attendance of the Board meetings during the year and last AGM as also number of their directorship and committee membership as on 31/03/2002 is enclosed as Annexure I.

3. Audit Committee

The Board of the Company has formed an Audit Committee pursuant to the provision of Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement with the Stock Exchanges on 15th January, 2001. The Audit Committee as on 31/3/2002 comprises of three Non-Executive Directors, all of whom are independent. During the year, the Committee met 3 times and the attendance of members at the meetings was as under :

Name of the Member		Dates and presence of the members at the meeting		
		30/4/01	21/11/01	25/1/02
1)	Mr Hasmukh Kundalia (Resigned on 25/1/02)	Yes Chairman	Yes Chairman	No.
2)	Mr A K Sanyal (Resigned on 21/11/01 after conclusion of the meeting)	Yes	No	No
3)	Mr N D J Rao (Resigned on 30/4/01 after conclusion of the meeting)	No	No	No
4)	Mrs Saroj Rateria (appointed on 30/4/01 and resigned on 25/1/02)	No	Yes	No
5)	Mr R C Gattani (appointed on 25/1/02)	No	No	Yes
6)	Prof A K Dutta (appointed on 25/1/02)	No	No	Yes
7)	Mr Sanjay Kanoria (appointed on 25/1/02)	No	No	Yes Chairman