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# ANNUAL REPORT AND ACCOUNTS 2002-2003

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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. J. K. Bag

*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 : 24767350 to 7354  
Fax : 2474 7674  
E-mail : [computec@cal.vsnl.net.in](mailto:computec@cal.vsnl.net.in)  
Website : [www.computechintl.com](http://www.computechintl.com)

## **WORKS**

13, Broad Street  
Kolkata - 700 019  
Phone : 2240-5518/19/20  
Fax : 2240-5517

## NOTICE

Notice is hereby given that the 16<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 Saturday, the 27<sup>th</sup> September, 2003 at 10.30 AM to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2003 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 Mrs Saroj Rateria, who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr Dale Tower, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. Singhi & Co. Chartered Accountant, as Auditors and fix their remuneration.

## SPECIAL BUSINESS

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

5. As as on ordinary resolution.

"RESOLVED THAT Mr J K Bag 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 J K Bag 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

By order of the Board  
**S P YADAV**  
*Company Secretary*

Dated : 18th June, 2003

**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. 5 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 16<sup>th</sup> September, 2003 to Saturday, the 27<sup>th</sup> September, 2003 (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/- has 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 / market. Those members who have not yet surrendered their old share certificate to the company are required to surrender their old share certificate immediately to the company to get the new share certificates of face value of Rs.5/- each.
5. **Appointment / Re-appointment of Directors**

Mr J K Bag who has been appointed as additional director by the Board of Directors and proposed to be appointed as Director by shareholders at the ensuing Annual General meeting as required under the Companies Act, 1956. Mrs Saroj Rateria and Mr Dale Tower who have been retire by rotation and being eligible offer themselves for re-appointment. The information or details to be provided under Corporate Governance code for the aforesaid directors are as under :

**Mr J K Bag**

Mr J K Bag aged about 69 years is an M.A., CAIIB, Retired Chief Manager of Punjab National Bank with 36 years experience in Accounts, Finance, Banking and Administration.

**Mrs Saroj Rateria**

Mrs Saroj Rateria aged about 47 years is a Commerce graduate. 22 years experience in Silver and bullion items, its drawing designing and export, share transfer business and computers. She is also Director of Explochem (India) Ltd and Silvery Designers (P) Ltd.

**Mr Dale Tower**

Mr Dale Tower aged about 77 years is a citizen. He is a Computer Engineer with 55 years experience in computer industry and working in various senior position including as Directors of a few renowned Computer Concerns in US like Denicom Inc, USA, American Radio Inc., USA Telefil Inc, USA, World Engineering Inc, USA etc.

**ANNEXURE TO NOTICE****Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956****ITEM NO. 5**

Mr J K Bag, who was appointed by the Board of Directors as an Additional Director of the company w.e.f. 31<sup>st</sup> January, 2003, 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 J K Bag as a candidate for the office of Director. Mr J K Bag 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 J K Bag in the field of Finance, Accounts, Banking & Administration, 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.5 of the notice.

Except Mr J K Bag, no other Director is concerned or interested in the Resolution.

Registered Office :

77/2A, Hazra Road

Kolkata - 700 029

Dated : 18th June, 2003

By order of the Board

**S P YADAV**

*Company Secretary*

## DIRECTORS' REPORT

To, The Share Holders,

Your Directors are pleased to present the Sixteenth Annual Report together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2003.

### FINANCIAL HIGHLIGHTS

The performance of the company for the financial year ended 31<sup>st</sup> March, 2003. is summarized below :

		(Rs. in Million)
	2002-03	2001-02
Gross Turnover	1205.22	986.90
Operating Profit (PBIDT)	91.53	102.99
Interest	26.52	37.41
Depreciation	55.09	55.63
Profit before Tax	9.92	9.95
Provision for Taxation	(12.10)	4.86
Profit after Tax	22.02	5.09
Profit & Loss Account Balance carried forward	330.41	308.39

### DIVIDEND

The Directors regret their inability to recommend any dividend in view of inadequacy of profits for the year ended 31<sup>st</sup> March, 2003.

### FINANCIAL CONDITION AND RESULTS OF OPERATION

The year under review concluded with your Company's overall turnover at Rs.1205.22 Million (Previous year Rs.986.90 Million) and profit after tax of Rs.22.02 Million (Previous year Rs.5.09 Million).

Keeping in view of the continuous slow down, which has generally affected most of the sectors of Indian economy, the overall performance of your Company has been satisfactory.

### DISPOSE OFF THE R&T BUSINESS

Your Directors have decided to dispose off the Registrar and share transfer (R&T) business of your company subject to the approval of yours. This business cannot provide substantial revenue to the company and on the other side it would be difficult to survive in the existing competition without suitably allying with a larger entity. The contribution from the R&T business to the total turnover of the company is very insignificant and segmental profit from the R&T business was Rs.12 lakhs only during the year 2002-2003. As such maintaining the division would not be cost effective for the company. The company has received proposal from MCS Ltd, one of the leading R&T agent in the country to take over the business of your company. Your directors have decided to carry out its own due diligence report through Singhi & Co., Chartered Accountants.

### DEPOSITORY SYSTEM

As the members are aware, the Company's shares are traded compulsorily in Demat Form and your Company has already established connectivity with both the depositories i.e. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) in view of the advantages offered by the Depository System, members are requested to avail of the facility of Dematerialisation of Company's shares.



## DIRECTORS

Mr S. K. Kanoria, director resigned from the Board on 31<sup>st</sup> January, 2003. The Board record its appreciation for the services rendered by him during the tenure as director of the company.

Mr Jay Krishna Bag, M. A. CAIIB, Retired Chief Manager of Punjab National Bank has been appointed as an additional Director of the company w.e.f. 31/1/2003.

Mrs Saroj Rateria, a Commerce graduate having more than 22 years experience in the business of silver and bullion items and its drawing, designing and export, share transfer business and computer, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment. Mr Dale Tower, a US citizen and computer engineer having 55 years vast experience in computer industry and working in senior position including director of a few famous computer concerns in US and other countries retires by rotation at the ensuing Annual general Meeting and being eligible offers himself for reappointment.

## AUDITORS AND THEIR OBSERVATIONS

M/s. Singhi & Co., Chartered Accountants, the auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The observation of the auditors referred to in the auditors' report have been suitably explained in the notes on Accounts.

## PERSONNEL

The industrial relations with its employees have been cordial during 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".

## 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 that –

- (i) In the preparation of Annual Accounts the applicable accounting standards have been followed alongwith proper explanations relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2003. and the profit of the company for the year ended on the date.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities ; and
- (iv) The Directors have prepared the annual account of the Company on a "going concern" basis.

## CORPORATE GOVERNANCE

A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with Stock Exchange, form part of the Annual Report.

## ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the cooperation received from the Financial Institutions, Banks, Govt. Authorities, Customers, Shareholders and other associates during the year under review.

Place : Kolkata

Date : 18<sup>th</sup> June, 2003

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 2002-2003 is as under :

- |              |     |
|--------------|-----|
| a) Capital   | NIL |
| b) Recurring | NIL |

#### 1.2. Technology absorption, adaptation and innovation

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 31<sup>st</sup> March, 2003, the company was able to register export earnings of Rs.829.99 million for its various products and services. During the year the foreign currency earnings has increased 128%. We hope to achieve better result in the coming year. The total Foreign Exchange outgo during the same period amounted to Rs.540.19 million on import of software, hardware & peripherals, traveling and others. The particulars of foreign exchange utilized / earned during the year are given under clause B16 in the Schedule 23 on notes on accounts.

Place : Kolkata

Date : 18<sup>th</sup> June, 2003

For and on behalf of the Board

**S K RATERIA**

*Chairman & Managing Director*



## CORPORATE GOVERNANCE

### 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, unplicit 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.

The 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 i.e. 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 5 times during the year 2002-2003. 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 at the Board Meetings during the year and last AGM as also number of their directorship and committee membership as on 31/3/2003 are 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. The Audit Committee comprises of three independent and non-executive Directors. The committee will meet at least thrice in a year and 2 members present in the meeting will form the quorum of the meeting. The Committee review the reports of the internal auditors along with the comments and action taken reports of management. Mr. A.K. Kedia, Executive Director and head of finance & accounts attends the meetings of the Audit Committee. During the year, the Committee met 3 times and the attendance of members at the meetings was as under:

Name of the Member	Date presence of the members and Chairman of the meeting		
	14/6/02	30/10/02	8/1/2003
1) Mr. S. K. Kanoria (Resigned on 31/1/03)	Yes (Chairman)	No	No
2) Mr. Ramesh Chandra Gattani	Yes	Yes (Chairman)	Yes (Chairman)
3) Prof. Ashoke Kr. Dutta	Yes	Yes	Yes
4) Mr. Jay Krishna Bag (Appointed on 31/1/03)	N.A.	N.A.	N.A.

#### 4. REMUNERATION COMMITTEE

The Company has formed Remuneration Committee pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges by the following non-executive directors to decide the remuneration of Directors.

1. Mr. Sanjay Kanoria (resigned on 31/1/03)
2. Mr. Ramesh Chandra Gattani
3. Prof. Ashoke Dutta.
4. Mr. Jay Krishna Bag (Co-opted in the committee on 31/1/03)

The Committee has not met during the year. The appointment and remuneration of the Executive/Wholtime Directors have been fixed by the Board and approved by the members.

Details of Remuneration received by the Managing/Executive Director for the year 2002-03 is given below:

S. No	Name	Salary	Perquisites & Allowance (Rs.)	Total (Rs.)
1	Mr. S.K. Rateria	4,20,000/-	1,80,000/-	6,00,000/-
2	Mr. A.K. Kedia	3,30,000/-	---	3,30,000/-

Mr. S.K. Rateria forego his salary of Rs. 5,40,000/- and house rent allowance Rs. 3,96,000/- i.e. total Rs. 9,36,000/- during the year 2002-2003.

Remuneration of Non-Executive Directors of the year 2002-03 is given below:

Name	Sitting Fees
1) Mr. S. K. Kanoria	3000/-
2) Prof. A. K. Dutta	12000/-
3) Mr. R. C. Gattani	15000/-

#### 5. Shareholders' / Investors' Grievance Committee

The Company has formed "Shareholders/Investors Grievance Committee" pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges by the following non-executive and independent directors to specially look into the redressing of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc..

- a. Mr. Sanjay Kanoria (Resigned on 31/1/03)
- b. Prof. Ashoke Kr. Dutta
- c. Mr. Ramesh Chandra Gattani.
- d. Mr. Jay Krishna Bag (co-opted in the committee on 31/1/03).

The Committee will meet at least thrice in a year and 2 members present in the meeting will form the quorum of the meeting. During the year 2002-03 the Committee met three times and the attendance of members of the meeting was as under:

Name of the Member	Date presence of the members and Chairman of the meeting		
	14/6/02	30/10/02	8/1/2003
1) Mr. S. K. Kanoria (Resigned on 31/1/03)	Yes (Chairman)	No	No
2) Mr. Ramesh Chandra Gattani	Yes	Yes (Chairman)	Yes (Chairman)
3) Prof. Ashoke Kr. Dutta	Yes	Yes	Yes
4) Mr. Jay Krishna Bag (Appointed on 31/1/03)	N.A.	N.A.	N.A.