

***Nineteenth
Annual
Report
2002-2003***



CALS LIMITED



BOARD OF DIRECTORS

Directors

Sarvesh Goorha
Mohan Lal Garg
Bibhav Bisaria

Registered Office
E-44/13, Okhla Phase-II
New Delhi-110020

Manufacturing Unit
B-93, Sector VI
Noida-201301 (U.P.)

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Auditors
Parekh Jajal & Co.
Chartered Accountant
306, Sahjanand Shopping Centre
Shahibaug Road
Ahmedabad 380004

Bankers
Bank of India



NOTICE

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of Cals Limited will be held on Saturday, the 27th September 2003 at 10.30 a.m. at the registered office of the Company at E 44/13 Okhla Phase II, New Delhi - 110 020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2003 and the Profit and Loss account for the year ended on that date together with the reports of Directors' and Auditors' thereon.
2. To reappoint Mr. Mohan Lal Garg who retires by rotation and being eligible offers himself for reappointment.
3. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary resolution: -

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Virendra Pradeep & Co. Chartered Accountants, New Delhi be and are hereby appointed in place of M/s. Parekh Jajal & Company, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company to hold office till the conclusion of the next Annual General Meeting at the remuneration as may be mutually agreed upon between the Board of Directors and the Auditors."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification (s), the following resolution as a Special resolution: -

"RESOLVED THAT subject to the provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactments thereof for the time being in force, the Securities Contracts (Regulation) Act, and the rules framed thereunder, Listing Agreements and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent be and is hereby accorded to the Board to delist the Equity Shares of the Company from the Delhi Stock Exchanges Association Limited, Delhi."

By Order of the Board of Directors

New Delhi
30th June 2003

(Sarvesh Goorha)
Director



NOTES

1. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company at E-44/13 Okhla Phase II, New Delhi - 110 020 not less than 48 hours before this Annual General Meeting.
2. The Register of Member and Share Transfer Books of the Company will remain closed from Saturday 20th September 2003 to Saturday 27th September 2003 (both days inclusive).
3. The members are requested to:
 - a. bring their copy of Annual report at the Annual General Meeting.
 - b. I In case shares are held in physical form: notify immediately the change of address, if any, to the Company at E 44/13 Okhla Phase II, New Delhi - 110 020 or to the Registrar and Share Transfer Agent of the Company, MCS Limited, Sri Venkatesh Bhawan, 212A Shahpurjat, Behind Panchsheel club, New Delhi-110 049 quoting their folio number.
II In case shares are held in demat form: notify to their depository participants, change/correction in their address/bank account particulars etc. as the Company uses the information provided by Depositories in respect of shares held in dematerialized form.
 - c. Send, in case of those members who have multiple accounts in identical names or joints names in same order, all the share certificates to the Registrar and Share Transfer Agent of the Company, MCS Limited at the aforesaid address for consolidation of all such shareholdings into one account to facilitate better service.
4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
5. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all the working days except Saturday up-to the date of the Annual General meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 3

The existing auditors M/s. Parekh Jajal & Company, Chartered accountants, Ahmedabad have expressed their unwillingness to be reappointed as auditors of the Company vide their letter dated 30th June 2003 due their preoccupation.

The Company has received a proposal from a shareholder proposing the name of M/s. Virendra Pradeep & Co., Chartered Accountants, New Delhi. The said auditors have expressed vide the letter dated 30th June 2003 that their appointment, if any, shall be as per Section 224(1B) of the Companies act, 1956.

None of the directors is, in any way, concerned or interested in the resolution.

The Board of Directors of your Company recommends this resolution for your approval.

**Item No. 4**

Presently, the Company's securities are listed at the following the Stock exchanges:

The Stock Exchange, Mumbai - 400 001

The Delhi Stock Exchange Association Limited, New Delhi - 110 002

With the extensive net working of the stock exchange, Mumbai and the extension of their respective trading terminals to other cities as well, investors have access to online dealings in the Company's securities across the country. The bulk of the trading takes place on the BSE and the trading volumes of the Company's Equity Shares on the Stock Exchange at Delhi is either nil or very low. Besides this Listing fees payable to Delhi exchange is disproportionately high compared to the nil or extremely low trading volumes of the Company's securities on this exchange.

The Securities and Exchange Board of India (SEBI) has issued The Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003. Under these guidelines, a Company may delist from stock exchanges where its securities are listed provided that: -

1. the securities of the Company have been listed for a minimum period of 3 years on any stock exchange: and
2. an exit opportunity has been given given to the investors at an exit price to be determined in accordance with "book building process". However, in cases where the securities continue to be listed in a stock exchange having nation wide trading terminals, i.e. BSE/NSE, exit opportunity need not be given.

Approval of the members by way of special resolution is being sought for delisting of Company's equity shares from Delhi Stock Exchange. The Company's equity shares will continue to be listed on BSE after the proposed delisting.

None of the directors is, in any way, concerned or interested in the resolution.

The Board of Directors of your Company recommends this resolution for your approval.

By Order of the Board of Directors

New Delhi
30th June 2003

(Sarvesh Goorha)
Director

**NOTES ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS
REQUIRED UNDER CLAUSE 49 VI (A) OF THE LISTING AGREEMENT
ENTERED INTO WITH THE STOCK EXCHANGES**

At the ensuing Annual General Meeting, Mr. Mohan Lal Garg retires by rotation and being eligible, offer himself for reappointment.

Mr. Mohan Lal Garg aged about 49 years is a businessman and independent director and is associated with the Company since 2000. Mr. Garg retired as Deputy Managing Director of State Bank of India. He is not holding the directorship of any other Company.



DIRECTORS REPORT

The Nineteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2003 is being submitted.

FINANCIAL RESULTS (Rs / Thousands)

Particulars	For the year ended 31.3.03	For the year ended 31.3.02*
Sales and other income	—	—
Profit/Loss before interest & Depreciation	(13,116)	(776)
Less: Depreciation	72	10,254
Net profit/loss before tax	(13,188)	(11,030)
Provision for taxation	—	—
Proposed Dividend	—	—
Net profit/loss Transferred to Balance Sheet	(13,188)	(3,085)

* The period comprises for 9 months 1.7.01 to 31.3.02

DIVIDEND

In view of the losses, your directors are constrained to recommend any dividend.

OPERATIONS

In absence of any financial resources and due to blockage of funds the company could not have any operational activities during the year.

DIRECTORS

Mr. Mohan Lal Garg retires by rotation as required under the Companies Act, 1956 and being eligible, offers himself for reappointment.

PARTICULARS OF EMPLOYEES

During the year under review, no employee was in receipt of remuneration exceeding the specified limits. Hence, no disclosure under Section 217 (2-A) of the Companies Act, 1956, is required to be made.

FIXED DEPOSITS

Company has not accepted any deposit under section 58 A of the Companies Act, 1956, during the financial year under review.

RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Company and for preventing and detecting fraud and other irregularities;

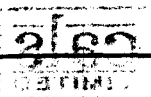
In the absence of any commercial activities carried out by the Co., Audit Committee of Directors could not be constituted u/s 292A of the Companies Act, 1956.

AUDITORS

M/s Parekh Jajal & Company, the Auditor have expressed their unwillingness to be reappointed as auditors of the Company due to their preoccupation. It is proposed to reappoint Virendra Pradeep & Co. Chartered Accountants, as the statutory auditors of the company for the financial year 2003-2004 at the remuneration to be decided by the Board of Directors.

Regarding Observations of the Auditors:

- 4 (e) Due to blockage of funds and absence of any financial resources, the Company was
- 4g (3) not in a position to run business operations.
- 4g (1) In absence of resources, confirmation of balances from some debtors and creditors could not be obtained.
- 4g (4) Auditors/Valuers appointed by the bank had completed physical verification of assets & stocks during the year 2001-2002. No sale or purchases were made during the interim period. Further, physical verification was not required.



4g (5) It also includes amounts recoverable for the work done by the Company for voters I.D., Card Project in State of Rajasthan. Company has moved fresh applications for appointment of Arbitrator in the Courts in Jaipur.

Company has taken various steps including filing of legal suits against some debtors.

4g (6) Bank had not debited any interest since 1.4.97. The notice received from the bank now has indicated the interest due as on 31.03.03 and has been reported. Company's request for settlement with the bank is under active consideration hence no provision has been considered necessary.

TECHNOLOGY ADOPTION AND ENERGY CONSERVATION

No technology transfer agreement was entered into during the year. Disclosure of particulars with respect to conservation of energy are not applicable to the company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no earnings or out go of foreign exchange during the year.

ACKNOWLEDGEMENT

The Directors have pleasure in recording their appreciation of the assistance extended to the Company by various officials of Central Government, State Government and participating financial institutions. The Directors would like to express their appreciation of the co-operation extended by the Company's bankers, Bank of India.

For and on behalf of the Board

Sarvesh Goorha
(Director)

Place : New Delhi
Date : 30-06-2003