

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



VISHAL ELECTRO-MECH (INDIA) LIMITED



12th ANNUAL REPORT 1997-98



BOARD OF DIRECTORS

SHRI TIKAMDAS R. MULANI	Chairman
SHRI MOHAN T. MULANI	Director
SHRI HIRALAL R. MULANI	Director
SHRI ASHOK D. ISRANI	Director
SHRI KAN G. MULANI	Director

REGISTERED OFFICE :

302, Kakad Market, 3rd Floor,
306, Kalbadevi Road,
Mumbai - 400 002.

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BANKERS :

BANK OF INDIA (Kalbadevi Road)
INDUSIND BANK
UNION BANK OF INDIA
BANK OF INDIA (Nariman Point)

NOTICE**12TH ANNUAL REPORT 1997-98**

NOTICE is hereby given that the Twelveth Annual General Meeting of the Members of Vishal Electro-Mech (India) Limited will be held at Garware Club House, D. Road, Churchgate, Mumbai - 400 020 on Saturday, 26th September, 1998 at 4.00 P.M. to transact the following business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended on 31st March, 1998, the Balance Sheet as at that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mohan T. Mulani, who retires by rotation but being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

Special Business

4. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED that Mr. Kan G. Mulani be and is hereby

appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

By Order of the Board

Place : Mumbai
Dated : 10th August, 1998

Hiralal R. Mulani
(Director)

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business under Item No. 4 as set out above, is annexed hereto.

ANNEXURE TO THE NOTICE

As required by Section 173 of the Companies Act, 1956, (hereinafter referred to as "the Act") the following Explanatory Statement sets out all material facts relating to the business mentioned under item No. 4 of the accompanying Notice dated 10th August, 1998.

Item No. 4 :

The Board of Directors of your Company ("the Board") appointed Mr. Kan G. Mulani as Additional Director of your Company with effect from 4th May, 1998. Pursuant to the provisions of Article 165 of your Company's Articles of Association read with Section 260 of the Act, he will hold office until the date of the ensuing Annual General Meeting. Your Company has received a notice in writing from a member in terms of Section 257 of the Act signifying his intention to propose the appointment of Mr. Kan G. Mulani as Director of your Company.

Mr. Kan G. Mulani has got a experience of 20 years occupying the post of Sales Manager and Financial Controller at M/s. Watanml (Liberia) Inc., a reputed Company in Liberia, West Africa. In view of his wide experience, the Board considers that the appointment of Mr. Kan G. Mulani will be beneficial to your Company and accordingly recommends the acceptance of the Resolution set out in item 4 of the Notice.

Except for Mr. Kan G. Mulani, none of the Directors shall be deemed to be concerned or interested in the resolution.

By Order of the Board

Place : Mumbai
Dated : 10th August, 1998

Hiralal R. Mulani
(Director)

DIRECTORS' REPORT**12TH ANNUAL REPORT 1997-98****THE MEMBERS**

Vishal Electro-Mech (India) Ltd.,
Mumbai.

The Directors hereby present their 12th Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS :

	1997-98 Rupees	1996-97 Rupees
Profit before Taxation	3,85,528	5,18,990
Provision for Taxation	1,41,000	2,06,000
	<u>2,44,528</u>	<u>3,12,990</u>
Balance in P & (L) A/c. b/f.	(30,569)	(2,69,652)
	<u>2,13,959</u>	43,338
Short provision for taxation of previous years	Nil	(73,907)
	<u>2,13,959</u>	<u>(30,569)</u>

OPERATIONS :

The management had been striving hard to develop export sales and as such succeeded in doing Export business and as compared to previous year, the Company has increased the sales from 1.24 crores to 1.56 crores inspite of the bad market conditions. But due to sluggish market conditions, margins were always under pressure hereby reducing the profit to Rs. 3.86 lakhs (before Tax) against Rs. 5.19 (before Tax) in comparison to the previous year. However, with the recent Export incentives announced by the Government of India this year, your directors are hopeful of a better performance and realisation during the current year.

DIVIDEND :

Your Directors are unable to recommend any dividend due to smallness of the profit and feel that it is advisable to retain the same in the business for better performance.

DEPOSITS :

The Company has not accepted any deposits from Shareholders, Directors and General Public.

MANAGEMENT :

During the year Mr. Kan G. Mulani was appointed as Additional Director of the Company and vacates his office at the ensuing Annual General Meeting and is eligible for

re-appointment as Director of the Company. The Company has received Notice from a member pursuant to Section 257 of the Companies Act, 1956 signifying his intention for his appointment as Director of your Company, liable to retire by rotation.

Mr. Chandulal F. Ghelani resigned as Director of the Company with effect from 12th June, 1998. The Board placed on record its appreciation of the valuable contribution made to the Company by Mr. Chandulal F. Ghelani.

Mr. Mohan T. Mulani, Director, retires by rotation and being eligible has offered himself for re-election.

PARTICULARS OF EMPLOYEES :

Statement for particulars of employees as required pursuant to Section 217 (2A) of the Companies Act, 1975 is not given as the same is not applicable to the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS OUTGO :

During the year under review, out of the Exports activity carried out, your Company has received earnings in Foreign Exchange to the tune of US\$. 23,956.25 (Amounting to Rs. 9,02,332) and has spent US\$. 1,050 (Amounting to Rs.38,478) on foreign tour of Directors for business promotion.

AUDITORS :

M/s. P. K. Teli & Co., Chartered Accountants, were appointed as the auditors of the Company from the conclusion of the last Annual General Meeting to the conclusion of the next Annual General Meeting and being eligible they have offered themselves for re-appointment.

ACKNOWLEDGEMENT :

Your Directors wish to place on record their sincere thanks and appreciation for the co-operation and supports given by the Banks, Government Authorities and all the Employees of the Company and look forward to their continued support.

By Order of the Board

Place : Mumbai
Dated : 10th August, 1998

Hiralal R. Mulani Director
Kan G. Mulani Director

AUDITORS' REPORT
12TH ANNUAL REPORT 1997-98

To
The Members,
Vishal Electro-Mech (India) Limited,
Mumbai.

We have audited the attached Balance Sheet of Messrs VISHAL ELECTRO-MECH (INDIA) LIMITED as at 31st March, 1998 and also the Profit & Loss Account of the Company for the year ended on that date, annexed thereto and report that :-

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annexe hereto a statement on the matters specified in paragraph 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;

c) The Balance Sheet and the Profit & Loss Account dealt with by this Report are in agreement with the books of account.

d) In our opinion and to the best of our information and according to the explanations given to us, the accounts, read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

i) in case of Balance Sheet, of the state of affairs of the Company as at 31st March, 1998

and

ii) in case of Profit & Loss Account, of the Profit for the year ended on that date.

For **P. K. TELI & CO.**
Chartered Accountants,

Place : Mumbai
Dated : 10th August, 1998

(P. K. TELI)
Proprietor

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph (1) of our Report of even date)

As required by Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board under Section 227 (4A) of the Companies Act, 1956 on the basis of such checks as we considered appropriate, we report as under :

1. The Company is maintaining proper records, showing full particulars, including quantitative details and situation of fixed assets. The fixed assets were physically verified by the Management at reasonable intervals and no material discrepancies have been noticed on such verification.
2. The fixed assets have not been revalued during the year.
3. Physical verification has been conducted by the Management at reasonable intervals, in respect of

closing stock of trading goods and no material discrepancies have been noticed on such physical verification, as compared to book records.

4. As per information given to us, the procedures followed by the management for such physical verification are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
5. On the basis of our examination of stock records, We are of the opinion that the valuation of stock is fair and proper in accordance with the normally accepted principles and on the same basis as in the previous years.
6. The Company has taken interest free unsecured loans from Companies, firms or other parties listed in

ANNEXURE TO AUDITORS' REPORT

- the register maintained u/s. 301 of the Companies Act, 1956 or Companies under the same Management defined under section 370 (1B) of the Companies Act, 1956.
7. The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained u/s. 301 of the Companies Act, 1956 or Companies under the same management as defined Under Section 370 (1B) of the Companies Act, 1956.
 8. In respect of loans and advances in the nature of loans given by the company, most of the parties are repaying the principal amount as stipulated or as rescheduled and are also regular in the payment of interest, wherever applicable.
 9. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of trading goods and other assets and for sale of goods.
 10. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of Contracts or arrangements entered with the parties specified in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- (Rupees Fifty Thousand Only) or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services or at prices at which transactions for similar goods, materials or services have been made with other parties.
 11. As explained to us, there are no unserviceable or damaged trading goods and stores as determined by the Company.
 12. The Company has not accepted any deposits from the public.
 13. As explained to us and certified by the management, the Company's operations do not generate any by-products or scrap.
 14. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
 15. We are informed that maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956, in respect of the Company's products.
 16. We have been informed that the provisions of the Provident Fund and the Employees State Insurance Act, are not applicable to the Company.
 17. According to the information and explanations given to us, there were no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, which have remained outstanding as at 31st March, 1998 for a period exceeding six months from the date they became payable.
 18. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practice, we have not come across any personal expenses which have been charged to Revenue Account nor we have been informed of such case by the management.
 19. The Company is not a Sick Industrial Company within the meaning of clause (O) of sub-section (1) of section 3 of the Sick Industrial Companies (Special provisions) Act, 1985.

For **P. K. TELI & CO.**
Chartered Accountants,

Place : Mumbai
Dated : 10th August, 1998

(P. K. TELI)
Proprietor