

51st Annual Report 2000-2001

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PREMIER AUTO ELECTRIC LIMITED



PREMIER AUTO ELECTRIC LIMITED

BOARD OF DIRECTORS

Shri Arvind R. Doshi - Chairman & Managing Director
 Shri Jyotindra M. Vakil - Chairman Emeritus
 Shri Vinod L. Doshi
 Shri Maitreya V. Doshi
 Shri Raman Patel
 Shri Dilip Thakkar

SENIOR EXECUTIVES

Shri Samir Roy - President
 Shri Pritam A. Doshi - Vice President
 Shri Rana Roy Choudhury - Chief Financial Officer

COMPANY SECRETARY

Shri Anirudh Singh G. Thakur

AUDITORS

M/s. K. S. Aiyar & Co.
 Chartered Accountants

SOLICITORS & ADVOCATES

M/s. Matubhai Jamietram
 M/s. Madekar & Co.

BANKERS

State Bank of India
 Bank of Baroda
 Union Bank of India

REGISTRAR & SHARE TRANSFER AGENTS

MCS Limited
 Sri Venkatesh Bhavan,
 Plot No. 7, Road No. 11,
 MIDC Area, Andheri (East),
 Mumbai - 400 093.
 Phone : 8215235 Fax : 835 0456

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REGISTERED & CORPORATE OFFICE

B-Block, Gold Coin,
 407, Tardeo Road,
 Mumbai - 400 034

DISTRIBUTION NETWORK

WEST ZONE	SOUTH ZONE	EAST ZONE	NORTH ZONE
1. AHMEDABAD	12. BANGALORE	19. MANGALORE	26. CALCUTTA
2. BARODA	13. CALICUT	20. SALEM	27. CUTTACK
3. INDORE	14. CHENNAI	21. TRISSUR	28. PATNA
4. KOLHAPUR	15. COIMBATORE	22. THIRUVANANTHAPURAM	29. SILIGURI
5. MUMBAI	16. ERNAKULAM	23. VIJAYAWADA	30. RANCHI
6. RAJKOT	17. HYDERABAD	24. VISHAKHAPATNAM	31. DELHI
7. SURAT	18. MADURAI	25. HUBLI	32. JAIPUR
8. VASHI			33. JALANDHAR
9. NAGPUR			34. KANPUR
10. RAIPUR			35. JODHPUR
11. PUNE			36. UDAIPUR
			37. SAHARANPUR

PREMIER AUTO ELECTRIC LIMITED



FIVE YEARS AT A GLANCE

Rupees in Lacs

Year ending	March '01	March '00	March '99	March '98	March '97
INCOME / PROFITS :					
Sales/Income from operations	10023.15	12216.69	12738.71	14169.65	14259.19
Other Income	410.30	578.65	327.87	288.47	335.51
Total Income	10433.45	12795.34	13066.58	14458.12	14594.70
Total Expenditure	10667.96	12579.03	12892.18	13911.99	13444.16
Depreciation	97.62	116.32	192.11	281.14	420.72
Profit Before Tax	(332.13)	99.99	(17.71)	265.00	729.82
Provision for dimunition in value of investment	140.76	-	-	-	-
Taxation(including prior years' taxes)	-	79.11	124.41	259.90	445.48
Profit After Tax	(472.89)	20.88	(142.12)	5.10	284.34
Dividends (incl. Corp. Div. Tax)	-	-	-	104.72	209.43
Retained Earnings	-	20.88	-	-	74.91
ASSETS EMPLOYED :					
Gross Fixed Assets	1248.20	1421.25	1793.98	2488.44	3182.95
Net Fixed Assets	571.51	697.65	906.45	1264.94	1992.38
Net Current Assets (incl. Investments)	3629.25	4256.90	4292.43	4389.36	3932.59
TOTAL ASSETS	4200.76	4954.55	5198.88	5654.30	5924.97
FINANCED BY :					
a) Borrowed Funds	864.73	1182.86	1420.00	1691.84	1869.42
b) Shareholders' Funds					
i) Share capital	951.96	951.96	951.96	951.96	951.96
ii) Reserves	2384.07	2819.73	2826.92	3010.50	3103.59
Total Shareholders' Funds	3336.03	3771.69	3778.88	3962.46	4055.55
TOTAL FUNDS EMPLOYED	4200.76	4954.55	5198.88	5654.30	5924.97
OTHERS :					
Dividends %	-	-	-	10%	25%
Book Value per Share (Rs.)	35.04	39.62	39.70	41.62	42.60
Debt / Equity Ratio	0.26:1	0.31:1	0.37:1	0.43:1	0.46:1
Profit Before Tax as % of Total Income	-	0.78%	-	1.83%	5.00%
Profit After Tax as % of Total Income	-	0.16%	-	0.04%	1.95%
Profit After Tax as % of Shareholders' Funds	-	0.55%	-	0.13%	7.01%
Cash Earning per Share (CEPS) (Rs.)	-	1.44	0.53	3.01	@12.96
Earning per Share (EPS) (Rs.)	-	0.22	-	0.05	@5.23
Current Ratio	2.61	2.04	1.87	1.77	1.77

@ The EPS & CEPS has been computed on the Weighted Share Capital.

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Notice

Notice is hereby given that the Fifty First Annual General Meeting of the Members of Premier Auto Electric Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20 K Dubhas Marg, Mumbai 400 001, on Tuesday, 24th August 2001 at 3.00 p.m. to transact the following business :-

As ordinary Business

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2001 and the Balance Sheet as at that date and the Report of the Auditors and Directors' thereon.
2. To appoint a Director in place of Shri Vinod L. Doshi who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Maitreya V. Doshi who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Anirudh Singh G. Thakur
Company Secretary

Registered Office :

B-Block, Gold Coin,
407, Tardeo Road,
Mumbai - 400 034.

Dated : June 27, 2001

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THIS ANNUAL GENERAL MEETING.
2. The Register of Members and Share Transfer books of the Company will be closed from Tuesday 14th August 2001 to Friday 24th August, 2001 (both days inclusive).
3. Members are requested to notify any change in their address to the company or its Registrars and Share Transfer Agents viz. M/s. MCS Ltd., Sri. Venkatesh Bhavan, Plot No. 27, Road 11, MIDC Area, Andheri (E), Mumbai - 400 093, or the Depository Participants (DP).

Request To The Members :

1. Members are requested to bring their copy of Annual Report to the Meeting.
2. Members desiring any relevant information on the Accounts at the Annual General Meeting are requested to write to Shri Anirudh Singh G. Thakur, Company Secretary at least 7 days before the date of the Meeting so as to enable the management to keep the information ready.
3. Members who have multiple folios in identical names or joint names in the same orders are requested to send all the Share certificates to the Company Secretary or to the Registrar and Transfer Agents MCS Limited for consolidation of all such folios into one to facilitate better services.

DIRECTORS' REPORT

To the Members:

Your Directors have pleasure in presenting their Fifty-first Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2001.

1. FINANCIAL RESULTS:

	Current Year ended 31.03.2001 (Rs. In lacs)	Previous Year ended 31.03.2000 (Rs. In lacs)
Total Revenue	10433.45	12572.71
Total Expenses	10301.14	12114.77
Interest	214.34	218.96
(Loss)/Profit before depreciation, tax and exceptional items	(82.03)	238.98
Less: Depreciation	97.62	116.32
(Loss)/Profit before exceptional items and tax	(179.65)	122.66
Less: Exceptional items	293.24	22.67
(Loss)/Profit before tax	(472.89)	99.99
Less: Provision for tax	-	44.92
(Loss)/Profit after tax but before prior years adjustments	(472.89)	55.07
Less: Prior year's adjustments - taxation for earlier years.	-	34.19
(Loss)/Profit after taxes	(472.89)	20.88

2. DIVIDEND:

In view of the loss made by company, the Directors do not recommend any dividend for the year under review.

3. OPERATIONS:

The turnover of the company during the year is Rs. 104.33 crores against Rs. 125.73 crores last year. The decline in sales and profitability of the Company was mainly due to :

- a) overall recessionary trend in the automotive component industry.
- b) Significant changes taking place in the auto & truck sector have created uncertainty in the

minds of traders and therefore they are stocking less quantities of parts. This phenomenon has affected all players in this industry.

- c) Gujarat being one of our major business centers was adversely affected due to continuous drought for 2 years and the recent earthquake.

Exceptional items are write-offs and provisions made by the company as a prudent accounting measure, consisting of Rs. 152.48 lacs towards bad debts (including those pertaining to previous years) and diminution in value of investments of Rs. 140.76 lacs. Without considering this, the loss for the year would have been Rs. 179.65 lacs against Rs. 472.89 lacs.

The cash flow generated from operations is Rs. 129.71 lacs during the year as against Rs. 103.05 lacs in the last year i.e. an increase of 25%.

4. CRISIL RATING:

During the current year CRISIL has revised the rating for Fixed Deposit Scheme of your Company from "FA-" to "FB+". The revised rating indicates inadequate safety regarding timely payment of interest and principal. The Company has not defaulted on repayment of matured deposits and payment of interest till date.

5. FIXED DEPOSITS:

The amount of Fixed Deposits accepted from the public during the year under review stands at Rs. 218.40 Lacs

At the end of the year, there were 39 matured deposits for Rs. 6.94 lacs, which were not claimed by the depositors. Of these 3 deposits for Rs. 0.35 lacs have been claimed and paid by the Company. There were no deposits during the year, which were claimed but not paid by the Company.

6. LISTING:

Company's shares continued to remain listed on Ahmedabad Stock Exchange, Mumbai Stock Exchange and National Stock Exchange throughout the year under report.

None of the Stock Exchange Authorities had suspended the trading of your Company shares during the year under report.

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7. DIRECTORS:

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and Article 117 of the Articles of Association of the Company Shri. Vinod L. Doshi and Shri. Maitreya V. Doshi, Directors of the Company retires by rotation and being eligible, offer themselves for re-appointment.

Shri. S. G. Subramanyan and Shri M. P. Poncha, Directors of the Company has resigned with effect from 28th December 2000 and 30th May 2001 respectively. The Board of Directors place on record their highest appreciation for the valuable services rendered and advice received from them as Directors of the Company during their respective tenures which lasted for 9 years for both of them.

8. AUDITORS:

M/s K S Aiyar & Co., Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. A certificate as required under Section 224 (1B) of the Companies Act, 1956 regarding their eligibility for reappointment has been received from them.

The Directors recommend their reappointment.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Since the Company does not own any manufacturing facility the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

The Company has earned NIL foreign exchange and has used foreign exchange of Rs.113.36 Lacs.

10. 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:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 profit or loss of the Company for the year under review;

- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

12. PARTICULARS OF EMPLOYEES:

As required under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended, the names and other particulars of employees are set out in the Annexure 'A' forming part of this Report.

13. PERSONNEL:

Your Directors are happy to inform that employee relations continue to be cordial throughout the year.

14. ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation for the continued support received from the Shareholders, Consortium of Bankers, Customers, Dealers, Suppliers, Principals and for the valuable contributions made by the Employees at all levels.

For and on behalf of the Board of Directors

Arvind R. Doshi
Chairman & Managing Director

Registered Office:

B-Block, Gold Coin,
407, Tardeo Road,
Mumbai - 400 034.

Dated: 27th June 2001

ANNEXURE TO THE DIRECTORS' REPORT**GENERAL SHAREHOLDER INFORMATION:****BOARD OF DIRECTORS**

The following table gives details of directors, attendance of directors at the board meetings and at the last Annual General Meeting :-

Name	Category	Attendance Particulars	
		Board Meetings	Last AGM
A. R. Doshi	CMD	5	Yes
J. M. Vakil	CE	4	Yes
V. L. Doshi	D	5	Yes
M. V. Doshi	D	4	No
Raman Patel	D	3	No
S.G. Subrahmanyam*	D	3	No
M.P. Poncha#	D	5	Yes
D. J. Thakkar	D	2	Yes

CMD : Chairman & Managing Director, CE: Chairman Emeritus, D: Director

* ceased with effect from 02.02.2001

ceased to be director from 27.06.2001

Audit Committee

The Audit Committee constituted by the Board of directors consists of 3 (three) directors namely Shri Dilip J. Thakkar, Chairman, Shri J. M. Vakil, Member and Shri Maitreya V. Doshi, Member. The constitution of Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

Shareholders' Grievance and Share Transfer Committee.

The Board has set up a Share Transfer Committee with effect from 15.06.1990 to look after transfer, spilt, duplicate, transmission etc. for the shares issued by the company from time to time. The said Committee was reconstituted and the name of the said Committee changed to "Shareholders Grievance and Share Transfer Committee". In addition to the above, the Committee is authorized to look into Shareholders complaints like delay in transfer, non-receipt of shares, balance sheet, dividend, etc. The Committee consists of Shri Arvind R. Doshi, Shri Maitreya V. Doshi and Shri J. M. Vakil.

General Body Meetings

The last three Annual General Meetings of the Company were held as under:-

Year	Location	Date	Time
1997-98	M. C. Ghia Hall Bhogilal Hargovindas Building, 2 nd floor 18/20 K. Dubhash Marg Mumbai 400 001.	28.09.1998	3.30 p.m.
1998-99	Same as above	06.09.1999	3.30 p.m.
1999-00	Same as above	30.09.2000	11.30 a.m.

Note:

No postal ballots were used / invited for voting at these meeting in respect of special resolutions passed as there were no such provisions in the Companies Act, 1956.

Disclosures

(a) **Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large.**

None of the transactions with any of the related parties were in conflict with the interests of the company.

(b) **Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.**

There were no instances of non-compliance of any matter related to the capital markets during the last three years.

Means of Communication

The Company has published its quarterly results in Free Press Journal (English), and Nav Shakti- (Marathi-Vernacular), Mumbai.

The quarterly result will also be made available at the website of the company - www.paeltld.com

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Annual General Meeting :

Date and Time : 24th August, 2001 at 3.00 p.m.
Venue : M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2nd floor, 18/20. K. Dubhash Marg, Mumbai 400 001.

Book Closure date : 14th August, 2001 to 24th August, 2001

Financial Calendar 2001-2002

(tentative) : Annual General Meeting
(Next Year) September 2002

Board Meetings

Results for the quarter ending June 30, 2001 : Last Week of July 2001
Results for the quarter ending Sept., 30, 2001 : Last Week of Oct. 2001
Results for the quarter ending Dec. 31, 2001 : Last Week of Jan. 2002
Results for the quarter ending March 31, 2002 : Last Week of Apr. 2002

Listing of Equity Shares:

1. The Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400023.
2. National Stock Exchange of India Ltd., Trade World, S.B. Marg, Lower Parel, Mumbai 400 013.
3. Ahmedabad Stock Exchange, Kamdhenu Complex, Near Polytechnic, Ambawadi, Ahmedabad 380 015.

Stock Code

Demat ISIN Numbers in : **Equity Shares**
NSDL & CDSL **INE 766A01018**

(Note: Annual Listing Fees for the year 2001-2002 have been duly paid to all the above Stock Exchanges.)

Registrar and Transfer Agents

: M/s. MCS Limited
Sri Venkatesh Bhavan Plot No.27, Road No.1 M.I.D.C. Area, Andheri (E), Mumbai 400 093.

Stock Market Data (BSE)

	Month's High Price	Month's Low Price
April 2000	5.15	3.80
May 2000	4.45	3.25
June 2000	4.05	3.40
July 2000	3.70	2.30
August 2000	3.60	2.30
Sept. 2000	4.00	2.80
Oct. 2000	3.50	2.35
Nov. 2000	3.55	2.35
Dec. 2000	5.25	3.30
January 2001	4.50	3.15
Feb. 2001	4.30	2.45
March 2001	3.45	1.65

Dematerialization of Shares

: Approximately 64% of the shares issued by the Company have been dematerialized up to 31st March 2001. Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. 24th July 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

Address for Investor Correspondence

: M/s. MCS Limited
Sri Venkatesh Bhavan
For transfer / dematerialisation of Plot No.27, Road No.11 Shares, & other queries M.I.D.C. Area, Andheri (E) Mumbai 400 093.

Note : Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

Any query on Annual Report

: Secretarial Department
Premier Auto Electric Limited
Gold Coin 'B'-Block, 407, Tardeo Road, Mumbai 400 034.