

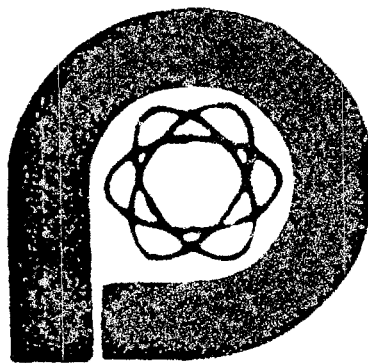
CITIZEN TM

MD	✓	BKC	✓
CS	NA	DFY	NA
EC	✓	DFY	NA
TRA	✓	AC	✓
AGIA	✓	DL	✓
ME	✓		✓

SIXTH ANNUAL REPORT

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1997-98



PROCAL ELECTRONICS INDIA LIMITED

SIXTH ANNUAL REPORT 1997 - 98

BOARD OF DIRECTORS

SHRI MAHENDRA KUMAR BOTHRA

CHAIRMAN
& MANAGING DIRECTOR

SHRI SURESH J. BHAGWAT

WHOLETIME DIRECTOR

SHRI MANAK CHAND BOTHRA

WHOLETIME DIRECTOR

BANKERS

CANARA BANK

AUDITORS

JAIN & KOTHARI

CHARTERED ACCOUNTANTS

SHARE TRANSFER AGENTS

SATELLITE CORPORATE SERVICES PVT. LTD.

39/724, AZAD NAGAR II, VEERA DESAI ROAD,
ANDHERI (WEST), MUMBAI - 400 053.

TEL. : 632 57 64 FAX : 632 47 90

REGISTERED OFFICE

1, TYRE TERRACE,
205/207, LAMINGTON ROAD,
MUMBAI - 400 007.

WORKS

44/45, PRAGATI INDUSTRIAL ESTATE,
66 KVA SUBSTATION ROAD,
AMLI, SILVASSA.
SHED NO. L/200/1/3-6,
ROAD NO. 2, GIDC, SACHIN,
SURAT, GUJARAT.



NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the Members of the Company will be held

at : Amar Gian Grover Auditorium, Lala Lajpatrai College Compound, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034.

On : Tuesday 29th September, 1998 at 12.00 noon to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March 1998 and the Profit & Loss Account for the year ended on that date and Directors' and Auditor's Reports thereon.
- 2) To appoint a Director in place of Shri Manakchand Bothra who retires by rotation but being eligible offers himself for re-appointment.
- 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 a Special Resolution:

RESOLVED THAT pursuant to provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the following manner:

- A. The following Article be and is hereby inserted as New Article 6A after the existing Article 6 thereof:

6A : In the event it is permitted by law to issue Shares without voting rights or with differential voting rights attached to them the Directors may issue such Shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

- B. The following Article be and is hereby inserted as New Article 10A after the existing Article 10 thereof:

10A : Notwithstanding anything contained in these Articles, in the event it is permitted by law for a Company to purchase its own Shares or Securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own Shares or Securities as it may think necessary, subject to such limits, upon such terms and condition, and subject to such approval, as may be permitted by the law.

5. To consider, and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of



the Company be and is hereby accorded to the Board to buy back fully paid Shares and/or other Securities of the Company from the holders thereof from out of its free reserves or out of the Share Premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, deeds, papers and writings as may be required for the aforesaid purpose and deal with all such matters and things and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper."

6. To consider, and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and 314 read with Schedule XIII and other applicable provisions of the Companies Act 1956 including any statutory modification or re-enactment thereof, for the time being in force, the Company in General Meeting hereby approves the re-appointment of Shri Mahendra Kumar Bothra as Managing Director of the Company on the terms and conditions and remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) for a period of five years with effect from 1st February, 1998 as set out in the explanatory statement annexed to this notice.

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary any of the terms of remuneration in consultation with Managing Director provided such variation is in accordance with the Provisions in Part II of Schedule XIII of the Companies Act, 1956 and/or the provisions of law as may be applicable thereto from time to time."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force, the Company in general meeting hereby approves the re-appointment of Shri Suresh Bhagwat as Whole Time Director of the Company on the terms and conditions and remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) for a period of five years with effect from 1st February 1998 as set out in the explanatory statement annexed to this notice.

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary any of the terms of remuneration in consultation with Managing Director provided such variation is in accordance with the Provisions in Part II of Schedule XIII of the Companies Act, 1956 and/or the provisions of law as may be applicable thereto from time to time."

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 A PROXY NEED NOT BE A MEMBER.

Annual Report 1997-98



2. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business at Item Nos. 4 to 7 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd September, 1998 to Tuesday, 29th September, 1998 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

By order of the Board,

MAHENDRA KUMAR BOTHRA
MANAGING DIRECTOR

Registered Office :
1, Tyre Terrace
205/207, Lamington Road
Mumbai 400 007.

Dated 11th day of August, 1998

* * * *

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ANNEXURE TO NOTICE

Explanatory Statements under Section 173 of the Companies Act, 1956.

Item No.4

It is proposed to insert New Article 6A after the existing Article 6 in the Articles of Association as set out in the Resolution at item No.4 of the accompanying notice to enable the Company to issue non-voting rights or differential voting rights shares.

It is also proposed to insert New Article 10A after the existing Article 10 in the Articles of Association as set out in the resolution at said Item No.4 to enable the Company to purchase any of its own Shares or Securities, as proposed in the Resolution at item No.5 in the event it is permissible by the law.

The Board commends the Resolution for acceptance by the members.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is open for inspection by the members at the Registered Office of the Company (between 11.00 A.M. and 1.00 P.M.) on any working day.

Item No.5

The resolution set out at item 5 of the accompanying notice is an enabling provision aimed at facilitating the Company to buy-back its Shares as and when legally permissible.

The Board is of the opinion that it will be in the interests of the Company if Shareholders approve the said resolution. The Directors, therefore, recommend the above resolution for the approval of Shareholders.



The Directors of the Company is deemed to be interested or concerned in the above resolution to the extent of their Shareholding.

Item No.6

The Board of Directors of the Company has re-appointed Shri Mahendra Kumar Bothra as Managing Director of the Company for a period of five years with effect from 1st February, 1998.

The terms of the remuneration for his re-appointment are as follows:-

- a) Salary : Rs.20,000/- per month with power to the Board of Directors to increase the salary from time to time subject to a ceiling of Rs.40,000/- per month.
- b) Commission : Commission on net profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 as may be fixed by the Board subject to the ceiling limits laid down in Section 198 and 309 of the Companies Act, 1956.
- c) Perquisites : In addition to the aforesaid salary and Commission the Managing Director shall be entitled to the following perquisites :
 - i) Free Furnished residential accommodation or House Rent Allowance together with utilities, therefor such as gas, electricity, water, furnishings, repairs, servants salaries, society charges and property taxes as may be approved by the Board.
 - ii) Reimbursement of Medical expenses incurred for self and family and medical/ accident insurance.
 - iii) Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company or as may be agreed by the Board of Directors.
 - iv) Fees of Clubs/annual membership fees for professional bodies.

The above perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of such rules, perquisites will be evaluated at actual costs.

Wherein any financial year during the currency of the tenure of the Managing Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director, the above salary and perquisites except Commission not exceeding the ceiling limits prescribed in Schedule XIII of the Companies Act, 1956 as Minimum Remuneration.

- d) The Managing Director shall also be entitled to following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above:
 - i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
 - ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - iii) Earned Privilege Leave at the rate of one month's leave for every 11 months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director.
 - iv) Provision for Car and telephone at the residence of the Managing Director shall not be treated as perquisites.



The Board commends the approval by the Members of the re-appointment of Managing Director and payment of remuneration to him.

Shri Mahendra Kumar Bothra is concerned or interested in the said Resolution at Item No.6 of accompanying notice as it relates to his own re-appointment. Shri Manakchand Bothra being relative of Shri Mahendra Kumar Bothra is also deemed to be interested or concerned in the said resolution.

Item No.7

The Board of Directors of the Company has re-appointed Shri Suresh Bhagwat as Whole Time Director of the Company for a period of five years with effect from 1st February, 1998.

The terms of the remuneration for his re-appointment are as follows:-

- a) Salary : Rs.7,500/- per month with power to the Board of Directors to increase the salary from time to time subject to a ceiling of Rs.20,000/- per month.
- b) Commission : Commission on net profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 as may be fixed by the Board subject to the ceiling limits laid down in Section 198 and 309 of the Companies Act, 1956.
- c) Perquisites : In addition to the aforesaid salary and Commission the Whole Time Director shall be entitled to the following perquisites :
 - i) Free Furnished residential accommodation or House Rent Allowance together with utilities, therefor such as gas, electricity, water, furnishings, repairs, servants salaries, society charges and property taxes as may be approved by the Board.
 - ii) Reimbursement of Medical expenses incurred for self and family and medical/accident insurance.
 - iii) Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company or as may be agreed by the Board of Directors.
 - iv) Fees of Clubs/annual membership fees for professional bodies.

The above perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of such rules, perquisites will be evaluated at actual costs.

Where in any financial year during the currency of the tenure of the Whole Time Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Whole Time Director, the above salary and perquisites except Commission not exceeding the ceiling limits prescribed in Schedule XIII of the Companies Act, 1956 as Minimum Remuneration.

- d) The Whole Time Director shall also be entitled to following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above:
 - i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
 - ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - iii) Earned Privilege Leave at the rate of one month's leave for every 11 months of service. The Whole Time Director shall be entitled to encash leave at the end of his tenure as Whole Time Director.
 - iv) Provision for Car and telephone at the residence of the Whole Time Director shall not be treated as perquisites.



Procal Electronics India Limited

The Board commands the approval by the members of the re-appointment of Whole Time Director and payment of remuneration to him.

Shri Suresh Bhagwat is concerned or interested in the said Resolution at item no. 7 of accompanying notice as it relates to his own re-appointment.

By order of the Board,

MAHENDRA KUMAR BOTHRA
MANAGING DIRECTOR

Registered Office :
1, Tyre Terrace
205/207, Lamington Road
Mumbai 400 007.

Dated 11th day of August, 1998

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Annual Report 1997-98**DIRECTOR'S REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting the Sixth Annual Report together with the Statement of Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS :

	1997-98 (Rs. in lacs)	1996-97 (Rs. in lacs)
Sales & other Income	<u>4005.22</u>	<u>987.65</u>
Profit before Depreciation	73.15	57.74
Less : Depreciation	<u>19.30</u>	<u>12.86</u>
Profit before tax	53.86	44.88
Less : Provision for tax	<u>7.00</u>	—
Profit after tax	46.86	44.88
Profit / (Loss) brought forward from previous year	<u>154.47</u>	<u>109.59</u>
Balance carried to Balance Sheet	<u>201.33</u>	<u>154.47</u>

OPERATIONS :

Sales and other income was Rs.4005.22 lacs compared to Rs.987.65 previous year. The working results show a profit of Rs.73.15 before making provision for depreciation and taxation.

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

During the year, the Company had strict control on wasteful electrical consumption. Light and power were switched off whenever not necessary.

The Company does not need any technology for its existing business.

(1) Foreign Exchange Earnings : Rs. 9,57,411

(2) Foreign Exchange Outgo : Rs. 6,23,747

DIRECTORS :

Shri Manakchand Bothra would retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Shri Mahendra Kumar Bothra was re-appointed as Managing Director of the Company with effect from 1st February, 1998 and Shri Suresh Bhagwat was re-appointed as Whole-Time Director of the Company with effect from 1st February, 1998.