

EVENTH ANNUAL REPORT

1998-99



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PROCAL ELECTRONICS INDIA LIMITED

SEVENTH ANNUAL REPORT 1998 - 99

BOARD OF DIRECTORS

SHRI MAHENDRA KUMAR BOTHRA

CHAIRMAN
& MANAGING DIRECTOR

SHRI SURESH J. BHAGWAT

WHOLE TIME DIRECTOR

SHRI MANAK CHAND BOTHRA

WHOLE TIME 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, SILVASA.

SHED NO. L/200/1/3-6,

ROAD NO.2, GIDC, SACHIN,

SURAT, GUJARAT.

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NOTICE

Notice is hereby given that the Seventh 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 : Thursday, 30th September, 1999 at 12.00 noon to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March 1999 and the Profit & Loss Account for the year ended on that date and Directors' and Auditors' Reports thereon.
- 2) To appoint a Director in place of Shri Suresh J. Bhagwat who retires by rotation but being eligible offers himself for re-appointment.
- 3) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the guidelines prescribed by the Securities and Exchange Board of India in respect of voluntary delisting of Securities, the Company hereby approves of the delisting of Equity Shares of the Company from the Stock Exchange at Ahmedabad and that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things including execution of any documents for this purpose".

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.
- 2) The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business at Item No. 4 is annexed hereto.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 23rd September 1999 to Thursday 30th September 1999 (both days inclusive).

**Procal Electronics India Limited**

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 August 24, 1999.

ANNEXURE TO NOTICE

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

Item No.4

The Shares of the Company are at present listed with the Stock Exchange at Mumbai, Calcutta and Ahmedabad.

The shares of the Company on Ahmedabad Stock Exchange are not traded and therefore no useful purpose is served in continuing the listing with the said Stock Exchange.

The Board of Directors of the Company therefore proposes that the shares of the Company should be delisted from Ahmedabad Stock Exchange in accordance with the guidelines prescribed by the Securities and Exchange Board of India in respect of voluntary delisting of Securities. The listing of shares will however continue with Mumbai Stock Exchange, which is a regional stock exchange and also with Calcutta Stock Exchange.

The Board of Directors therefore commend the approval by the Members of the Special Resolution at Item No.4 of the accompanying notice.

None of the Directors of the Company is interested in the said resolution.

By order of the Board,

MAHENDRA KUMAR BOTHRA
MANAGING DIRECTOR

Registered Office: 1, Tyre Terrace, 205/207, Lamington Road, Mumbai 400 007.
Dated August 24, 1999.

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**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting the Seventh Annual Report together with the Statement of Accounts for the year ended 31st March 1999.

FINANCIAL RESULTS :

	1998-99 (Rs. in lacs)	1997-98 (Rs. in lacs)
Sales & other Income	6173.42	3986.24
Profit before Depreciation	65.48	73.15
Less : Depreciation	<u>24.36</u>	<u>19.30</u>
Profit before tax	41.12	53.86
Less : Provision for tax	<u>14.77</u>	<u>7.00</u>
Profit after tax	26.35	46.86
Profit / (Loss) brought forward from previous year	<u>201.33</u>	<u>154.47</u>
Balance carried to Balance Sheet	<u>227.68</u>	<u>201.33</u>

OPERATIONS:

Sales and other income was Rs. 6173.42 lacs compared to Rs. 3986.24 previous year. The working results show a profit of Rs. 65.48 Lacs 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. 3,01,669

(2) Foreign Exchange Outgo : Rs. 3,28,41,241

Y2K COMPLIANCE:

The computerised system (both Hardware & Software) of the Company meets the requirement of Y2K compliance. The company is also reviewing the Y2K issues with Suppliers, Banks and other service providers. The Company does not visualise any additional major / significant expenditure for Y2K compliance. Since the Company's computerised system is already Y2K compliant; it does not call for contingency plan.



Procal Electronics India Limited

LISTING:

The equity shares of the Company are listed on the Mumbai, Ahmedabad and Calcutta Stock Exchanges. The Company has paid the Annual listing fees to all three Stock Exchanges for the year 1999-2000.

DELISTING OF SHARES:

The Shares of the Company are not traded on Ahmedabad Stock Exchange and therefore no useful purpose is served in continuing the listing with the said Stock Exchange. The necessary Resolution is being proposed at the ensuing Annual General Meeting for delisting of Equity Shares on Ahmedabad Stock Exchange.

DIRECTORS:

Shri Suresh J. Bhagwat would retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

PARTICULARS OF EMPLOYEES:

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975.

AUDITORS:

M/s. Jain & Kothari, Chartered Accountants, Mumbai, the Auditors of the Company would retire at the ensuing Annual General Meeting and they are eligible for re-appointment.

You are requested to appoint Auditors and to fix their remuneration.

ACKNOWLEDGEMENT:

Your Directors convey their gratitude to Canara Bank for their continued assistance and support. The Directors also wish to place on record their admiration and appreciation of the hard work put in by all the staffs and workers of the Company.

For and on behalf of the Board

MAHENDRA KUMAR BOTHRA
CHAIRMAN

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

Dated : August 24, 1999.

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**JAIN & KOTHARI**
CHARTERED ACCOUNTANTS

**43, Onlooker Building,
Sir P.M. Road,
MUMBAI - 400 001.
Ph. 266 33 42 / 266 02 67
Email: pride @ bom 8.vsnl.net.in**

**THE SHAREHOLDERS OF
PROCAL ELECTRONICS INDIA LIMITED**

We have audited the attached Balance Sheet of **PROCAL ELECTRONICS INDIA LIMITED**, as at 31st March, 1999 and the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and reports that:

1. 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.
2. In our opinion proper books of accounts as required by law have been kept by the Company as far as it appears from our examination of the books.
3. The Balance Sheet and Profit and Loss Account dealt with this report are in agreement with the books of accounts.
4. In our opinion the Balance Sheet & Profit & Loss A/c comply with accounting standards referred to in Sub- Section (3C) of Section 211 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with and subject to the 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 the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1999.
 - AND
 - ii) In the case of Profit and Loss Account of the **PROFIT** for the year ended on 31st March, 1999.
6. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government and on the basis of such checks as we considered necessary and in accordance with information and explanations given to us during the course of audit we further report that :



- i) The Company has maintained proper records to show full particulars including quantitative details and situations of all fixed assets. The fixed assets were verified by the management at reasonable intervals and there has been no discrepancies noted on physical verification so carried out by the Company.
- ii) None of the fixed assets have been revalued during the year.
- iii) Physical verification in respect of finished goods, stores, spares & raw materials was conducted by the management at reasonable intervals during the year.
- iv) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- v) The discrepancies between the physical stock & book records as observed on verification were not significant in relation to the operation of the Company & the same have been properly dealt within its books of accounts.
- vi) We are satisfied that the valuation of these stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the previous year.
- vii) The Company has not taken any loans secured or unsecured during the year from Companies, Firms or Other Parties listed in the register maintained u/s 301 & Sec.370 (1-B) of the Companies Act, 1956.
- viii) The Company has not granted any loans to Companies, Firms and Other Parties listed in the register maintained u/s 301 and 370 (1-B) of the Companies Act, 1956.
- ix) Loans & Advances in the nature of loans given by the Company are being recovered as stipulated and payment of interest wherever applicable, is regular.
- x) 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 the nature of its business for the purchase of stores, raw materials including components, plant and machinery equipment and other assets and for sale of goods.
- xi) During the year Company has not purchased/sold any goods in aggregating to Rs.50,000/ or more in value from/to a party listed in the register maintained u/s 301 of the Companies Act, 1956.