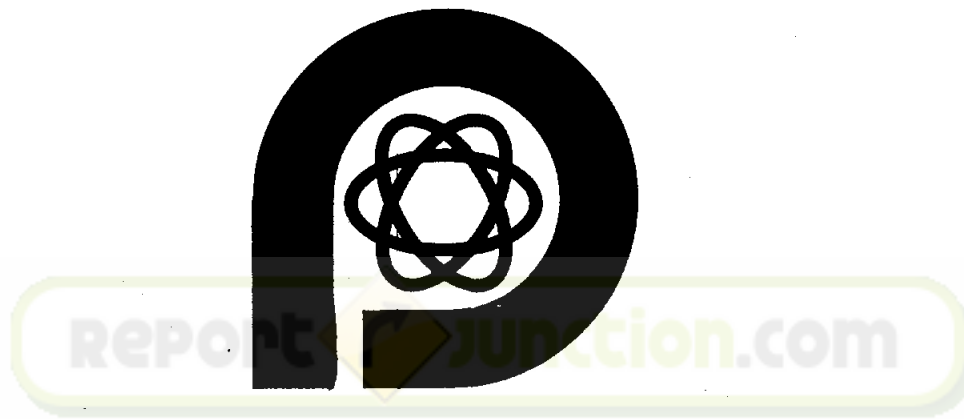


NINTH ANNUAL REPORT

2000-2001



PROCAL ELECTRONICS INDIA LIMITED

NINTH ANNUAL REPORT 2000-2001

BOARD OF DIRECTORS

SHRI MAHENDRA KUMAR BOTHRA

CHAIRMAN
& MANAGING DIRECTOR

SHRI SURESH J. BHAGWAT

WHOLE TIME DIRECTOR

SHRI MANAK CHAND BOTHRA

WHOLE TIME DIRECTOR
DIRECTOR

SHRI SHREYANSH DASSANI

BANKERS

CANARA BANK

AUDITORS

JAIN & KOTHARI
CHARTERED ACCOUNTANTS
43, ONLOOKER, SIR. PM. ROAD,
MUMBAI - 400 001.

SHARE TRANSFER AGENTS

SATELLITE CORPORATE SERVICES PVT. LTD.
39/ 724, AZAD NAGAR II, VEERA DESAI ROAD,
ANDHERI (WEST), MUMBAI 400053
TEL. : 6325764 FAX : 6330408

REGISTERED OFFICE

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

WORKS

- 1) 44/45, PRAGATI INDUSTRIAL ESTATE,
66 KVA SUBSTATION ROAD,
AMLI, SILVASSA.
- 2) SHED NO. L/200/1/3-6,
ROAD NO.2, GIDC, SACHIN,
SURAT, GUJRAT.
- 3) 23/25/27&28, AMLI INDUSTRIAL ESTATE,
66 KVA SUBSTATION ROAD,
AMLI, SILVASSA.

Annual Report 2000-2001**PROCAL ELECTRONICS INDIA LIMITED**

Regd. Offices: 1, Tyre Terrace, 205/207 Lamington Road, Mumbai-400 007.

NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the Members of the company will be held at Navyojana Sadan, Near Diana Talkies, Tardeo, Mumbai - 400 034 on Friday, September 28, 2001 at 10.30 A.M to transact the following business.

ORDINARY BUSINESS

1. To receive consider and adopt the Balance Sheet as at March 31, 2001 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 Bhagwat who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

4. To appoint a Director in place of Shri Shreyansh Dassani, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment.
5. To Consider and if thought fit, to pass with or without modification the following resolution a Special Resolution.

"RESOLVED THAT the resolution passed at the Extraordinary General Meeting held on 23rd April 2001, in respect of the proposal to issue 21,66,667 fully paid up Equity Shares of Rs. 10/- each at the premium of Rs. 20/- each aggregating to Rs. 6.50 crores by the Company in consideration of purchase of unit of SRG Infotech Limited be and hereby rescinded."

"RESOLVED FURTHER THAT the resolution with the effect to increase the authorized share capital from Rs. 3,50,00,000/- (Rupees Three Crore Fifty Lakhs Only) divided into Rs. 35,00,000 (Thirty Five Lakh Only) equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 5,75,00,000/- (Five Crores Seventy Five Lakhs Only) divided into Rs. 57,50,000 (Fifty Seven Lakh Fifty Thousand Only) Equity Shares of face value Rs. 10/- (Rupees Ten Only) each by creation of Rs. 2,25,00,000/- (Rupees Two Crore Twenty Five Lakhs Only) divided into Rs. 22,50,000 (Twenty Two Lakhs Fifty Thousand Only) equity shares of Rs. 10/- (Rupees Ten Only) each, passed with unanimous approval in the Extraordinary General Meeting held on 23rd April, 2001 be and is hereby rescinded."

"RESOLVED FURTHER THAT the Managing Director of the Company be and is hereby authorized to do all such act, deeds and things as are required to give effect to the same."

NOTES :

1. The relative explanatory statement in respect of business at item Nos. 4 & 5 is annexed hereto.
2. 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.

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

By order of the Board,
MAHENDRA KUMAR BOTHRA
Managing Director

Date : August 28, 2001.

**Procal Electronics India Limited****ANNEXURE TO NOTICE**

Explanatory statement as required under Section 173 of the Companies Act, 1956.

Item No. 4

Shri Shreyansh Dassani was appointed as an Additional Director of the Company by the Board of Directors on 11th December, 2000. By virtue of Section 260 of the Companies Act, 1956 he holds office up to the date of the forthcoming Annual General Meeting and is eligible for appointment. The Company has received a notice under section 257 of the Companies Act, 1956 alongwith a deposit of Rs.500/- from a member of the Company proposing the name of Shri Shreyansh Dassani as a candidate for the office of Director.

Shri Shreyansh Dassani is interested in the resolution as it relates to his appointment.

Item No.5

A resolution was laid before you by your directors in the Extraordinary Genral Meeting held on 23 April, 2001 for launching a different branch of software in your Company and it was proved unanimously, in the changed market conditions directors of your Company do not find it in the best interest of the Company to initiate the proposed business hence it is proposed to rescind the said resolution of purchase of unit of SRG Infotech Limited.

The Authorize Share Capital of the Company is Rs. 3.50 crores and it was proposed to increase the Authorised Share Capital to Rs. 5.75 crores in the said Extraordinary General Meeting. It is no more required to increase the Authorised Share Capital of the Company as the proposed increased was to meet the fresh allotment to SRG Infotech Limited. In lieu of purchase of its ERP Unit.

The Directors commend the approval by the shareholders of the said resolution.

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

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By order of the Board,

MAHENDRA KUMAR BOTHRA
Managing Director

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

Date : August 28, 2001.

Annual Report 2000-2001**PROCAL ELECTRONICS INDIA LIMITED****DIRECTORS' REPORT TO THE MEMBERS**

Your Directors in present herewith the Ninth Annual Report together with the Statement of Accounts for the year ended March 31, 2001.

FINANCIAL RESULTS :

	2000-01 (Rs. in lacs)	1999-00 (Rs. in lacs)
Sales and Other Income	877.44	8787.29
Profit/(Loss) before Depreciation	20.87	63.78
Less : Depreciation	21.67	20.48
Profit/(Loss) before Tax	(00.80)	43.87
Less : Provision for Tax	-----	23.00
Profit/(Loss) after Tax	(00.80)	20.87
Profit/(Loss) brought forward from previous year	248.55	227.68
Balance carried to Balance Sheet	247.75	248.55

OPERATIONS :

"During the year turnover of your company dropped significantly mainly on account of stopping of Plastics Trading Business. This has also reflected on the profitability of the company. We shall be focussing on Electronics Business and are trying to increase volumes which shall directly reflect in the working of your company."

DIRECTORS :

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

Shri Shreyansh Dassani was appointed Additional Director of the Company by the Board of Directors on December 11, 2000. By virtue of Section 260 of the Companies Act, 1956 he would cease to hold office at the date of the ensuing Annual General Meeting and is eligible for appointment.

RESPONSIBILITY STATEMENT :

Your Directors confirm that :

1. In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. The directors had selected such accounting policies and applied them consistently and made judgements 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 Profit or Loss of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts on a going concern basis.



Procal Electronics India Limited

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.
 (2) Foreign Exchange Outgo : Rs. 1,18,57,875/-

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.

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 the three Stock Exchanges for the year 2001-2002.

AUDITORS :

The note numbers 13 in the notes to the Accounts referred by the Auditors in their report, are self explanatory.

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.

ACKNOWLEDGMENT :

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 & MANAGING DIRECTOR

Registered Office :

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

Date : August 28, 2001.

Annual Report 2000-2001**AUDITOR'S REPORT**

**To,
THE SHAREHOLDERS OF
PROCAL ELECTRONICS INDIA LIMITED**

We have audited the attached Balance Sheet of **PROCAL ELECTRONICS INDIA LIMITED**, as at 31st March, 2001 and the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and report 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 Account comply with accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of representations received from the directors as on 31st March, 2001 and taken on record by the Board of Directors, we report that none of the director is disqualified from being appointed as director in terms of clause (9) of subsection (1) of section 274 of the Companies Act 1956.
6. 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, 2001.

AND

- ii) In the case of Profit and Loss Account of the LOSS for the year ended on 31st March, 2001.
7. 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) We are informed that no material discrepancies have been noticed on physical verification of stocks as compared to 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.