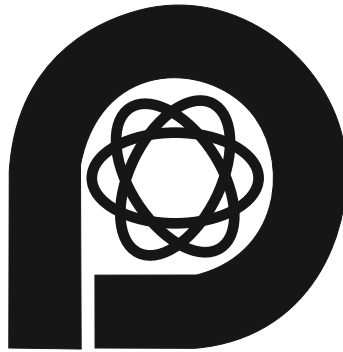


TWENTY SECOND ANNUAL REPORT

2013-2014



PROCAL ELECTRONICS INDIA LIMITED

(CIN : L32109MH1992PLC066276)

TWENTY SECOND ANNUAL REPORT 2013-2014

BOARD OF DIRECTORS

SHRI MAHENDRA KUMAR BOTHRA

CHAIRMAN
& MANAGING DIRECTOR

SHRI DHARMENDRA SHARMA

DIRECTOR

SHRI SURESH KUMAR IYER

DIRECTOR

SHRI PRADEEP KOTHARI

DIRECTOR

SHRI MANAKCHAND BOTHRA

CFO (Proposed)

BANKERS

CANARA BANK

AUDITORS

JAIN & KOTHARI

CHARTERED ACCOUNTANTS

SHARE TRANSFER AGENTS

SATELLITE CORPORATE SERVICES PVT. LTD.

B-302, SONY APPARTMENT, OPP. ST. JUDE HIGH SCHOOL,
OFF ANDHERA ROAD, JARIMARI, SAKINAKA,
MUMBAI – 400 072.

REGISTERED OFFICE

201, SHYAM BABA HOUSE CHS LTD.,
UPPER GOVIND NAGAR,
MALAD - EAST, MUMBAI 400 097.

WORKS

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

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NOTICE

Notice is hereby given that the **Twenty Second Annual General Meeting** of the members of Procal Electronics India Limited will be held at its **Registered Address** (201, Shyam Baba House CHS Ltd., Upper Govind Nagar, Malad (E), Mumbai – 400 097) **Tuesday, 30th September 2014, at 11.30 a.m.** to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2014 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 Iyer**, who retires by rotation and being ineligible for re-appointment.
3. To appoint a Director in place of Shri **Mahendra Kumar Bothra**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for one term of three years as required under the new Companies Act 2013; subject to the yearly revival of the terms and conditions of the appointment by the management and to fix their remuneration.

SPECIAL BUSINESS

5. To appoint Mr. Manakchandji Bothra, an experience person in the respective field; as a Chief Financial Officer; as required under the new Companies Act 2013.

To pass the following resolution with or without modification as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 203 of the Companies Act, 2013 and Rules made there under Shri Manakchand Bothra, be and is hereby appointed as Chief Financial Officer of the Company who shall not be liable for the retirement by rotation,

Resolved further that, pursuant to the provisions of Sections, 196, 197, Schedule V and other related provisions of the Companies Act, 2013, Memorandum and Articles of Association of the Company and subject to the approval of Statutory Authorities required in this respect, if any Shri Manakchand Bothra, be and is hereby appointed Chief Financial Officer for the period of 3 years, on the terms and conditions as mutually decided by the management.

Either party shall be entitled to terminate the Appointment by giving the other party 180 days notice in writing without showing any cause.

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 OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members are requested to:
 - a. intimate to the Company / their Depository Participant (“DP”), changes, if any, in their registered address at an early date;
 - b. quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
 - c. bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
3. In keeping with Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests members who have not registered their E-mail addresses so far, to register their E-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Kindly return
4. Securities & Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 has mandated all Companies to use approved electronic mode of payment for making cash payments such as Dividend to the Members (where core banking details are available) or to print the bank account details of the members (as per the Company's records) on the physical payment instruments (in



case where the core banking details are not available or electronic payment instructions have failed or rejected by the Bank). Hence, the Members are requested to furnish/update their bank account name and branch, bank account number and account type along with other core banking details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc. at the earliest along with cancelled cheque in form appearing in page no 33 of the Annual Report.

5. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services India Limited (CDSL):

The instructions for e-voting are as under:

- Log on to e-voting website www.evotingindia.com
- Click on "Shareholders" tab
- Select the electronic voting sequence number (EVSN) 140906009 along with PROCAL ELECTRONICS INDIA LIMITED from the drop down menu and click on "SUBMIT"
- Now enter your User ID
 - For CDSL: 16 digit beneficiary ID
 - For NSDL: 8 character DP ID followed by 8 digits Client ID
 - Member holding shares in physical form should enter Folio Number registered with the Company.
- Next enter the image verification as displayed and click on login
- Shareholders holding shares in Demat form and had logged on the www.evotingindia.com and voted on the earlier voting of any company, shall use their existing password
- Shareholders using first time the electronic voting shall follow the given below steps:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as Physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN fieldIn case, the folio number is less than 8 digits, enter the applicable number of '0's (Zeros) before the number after the first two characters of the name in CAPITAL Letters. Eg. If your name is Shekhar Kumar, with folio number 100 then enter SH00000100 in the PAN field.
DoB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p><i>Members who have not registered their Dividend bank Details, kindly type number of shares held as on holding or cut off date i. e. 22nd August, 2014.</i></p>

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then reach directly the EVSN Selection Screen. However, members holding shares in demat form will now reach Password field. The new password has to be minimum eight character consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@#\$%&*). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided the company opts for e-voting through CDSL platform. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
- Click on the relevant EVSN (here 140906009) for Procac Electronics India Limited
- On the voting page, shareholders will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and the option NO implies that you dissent to the Resolution.
- Click on the Resolution File link, if you wish to view the entire resolution.



- m) After selecting the resolution you have decided to cast your vote on, click, on SUBMIT. A confirmation box will be displayed, if you wish to confirm your vote, click on OK else to change your vote click on CANCEL and accordingly modify your vote.
 - n) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
 - o) In case of Members receiving the physical copy of the Notice of AGM, (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy) please follow all steps from Sr. No. (b) to (n) above, to cast vote.
 - p) Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) shall follow following steps:
 - Log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details, they have to create a compliance user who would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (PoA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer, to verify the same.
 - q) The e-voting period begins on 25th September 2014 at 9.30 a.m. and ends on 27th September 2014 at 5.30 p.m. During the period shareholders of the Company, holding shares either in physical form or in dematerialised form as on 25th September 2014 (record Date) may cast their votes electronically. Once the vote on resolution is cast, the member shall not be allowed to change it subsequently.
 - r) In case of any queries or issues regarding e-voting, members may refer the FAQ and e-voting manual available at <https://www.evotingindia.co.in>
 - s) Shri Mitesh Dhabliwala of Parikh Parekh & Associates, Practising Company Secretary has been appointed as the Scrutiniser to scrutinise the e-voting process in the fair and transparent manner.
 - t) The scrutiniser shall within a period not exceeding three (3) days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses not in the employment of the Company and will make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
 - u) The results on the resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of vote in favour of the resolutions.
 - v) The results declared along with the scrutinizer's report(s) will be available on the website of the Company within two days of passing of the resolutions and will be communicated to Bombay Stock Exchange Limited where the shares of the Company are listed.
6. All the documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during the normal business hours (10.00 a.m to 5.00 p.m.) on all working days except Saturdays up to and including the date of the Annual General Meeting of the Company.

By order of the Board,

MAHENDRA KUMAR BOTHRA
Chairman & Managing Director

Place : Mumbai
Date : 28/08/2014



DIRECTORS' REPORT TO THE MEMBERS

Your Directors in present herewith the Twenty First Annual Report together with the Statement of Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS

	2013-14 (Rs. In lacs)	2012-13 (Rs. in lacs)
Sales and Other Income	000	000
Profit/(Loss) before Depreciation	(3.16)	(3.28)
Less: Depreciation	(3.94)	(4.74)
Profit/(Loss) before Tax	(7.10)	(8.01)
Less: Provision for FBT/ Earlier Tax	NIL	NIL
Profit/(Loss) after Tax	(7.10)	(8.01)
Less Exceptional Item/Prior period adjustment	NIL	NIL
Profit/(Loss) brought forward from previous year	(843.34)	(835.33)
Balance carried to Balance Sheet	(843.34)	(843.34)

MANAGEMENT DISCUSSION AND ANALYSIS

a) Financial Performance and Operations Review:

Sales and other income for the year amounted to nil as same in the last year. During the year under review, your Company has made a loss before tax of Rs 7.10 Lacs against loss of Rs. 8.01 Lacs in the previous year.

During the year under report the company has not carried out any manufacturing or trading activity. The company has incurred substantial cash losses during the year.

b) Industry Structure and Threats:

During the year under review financial constraints has resulted in no sales and overall performance of the Company.

c) Outlook:

The management is still hopeful and trying for reviving the business by starting the trading & agency business.

d) Human Resources:

Your Company continued to have cordial and harmonious relations with its employees at all levels.

e) Internal Control Systems:

The Company has an adequate internal control system including suitable monitoring procedures commensurate with its size and nature of the business.

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DIRECTORS AND KMP's

Mr Suresh Iyer retires by rotation at the ensuing Annual General Meeting and, being not eligible, he will not be re-appointment.

Mr. Mahendra Kumar Bothra; whole-time Director; retires by rotation at the ensuing Annual General Meeting and, being eligible, he has offered himself for re-appointment.

Mr. Manakchand Bothra; an experienced person in the respective field is hereby proposed to be appointed as a Chief Financial Officer as per the new Companies Act 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm that:

- (i) in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments 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.
- (iii) 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;
- (iv) the directors had prepared the annual accounts on going concern basis.

CORPORATE GOVERNANCE

As per the requirement of listing agreement with the Stock Exchanges, your Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance together with a certificate of its compliance from the Statutory Auditors, forms part of this report.

FIXED DEPOSITS

The Company has no fixed deposits.

AUDITORS

M/s. Jain & Kothari, Chartered Accountants, Mumbai retire as auditors and, being eligible, offer themselves for re-appointment for the term of three years as per the new Companies Act 2013, provisions; subject to yearly revival of the terms of appointment by the management.

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

AUDIT REPORT

Note to point No. 8 of Auditors Report.

- (i) As the management is hopeful of reviving the business by starting the trading & agency business, the accounts are prepared on going concern basis despite of closure of unit and absences of substantial business activities.
- (ii) As the Company is negotiating with the bank & GSFC and the liability if any shall be provided in the year of settlement. Therefore



Procal Electronics India Ltd.

no provisions has been made in the accounts for the interest liability on various Bank Loans & GSFC loan as the loan accounts have been classified as NPA by the company's Banker Canara Bank/GSFC and accordingly stopped charging interest.

- (iii) The Management has so far not taken any steps for assessment of valuation of the assets for the requirement of AS 28 – impairment of assets but in near future the management will do the necessary requirement for the same.

Further Clarifications with regards to physical verification:

The Company's Unit at Silvassa is in the possession of the Bankers; and the Management was not allowed to enter the premises/Unit, until any settlement is done; so the Management could not give any physical verification records to the Auditors.

CONTINGENCY

The Commissioner of Central Excise & Customs has raised a demand amounting to Rs.1,65,20,069/- towards various duties, fine & penalty, due to the non-fulfilment of export obligations & the closure of unit II of Silvassa. The company has already filed an appeal against the demand with an appropriate authority.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and, therefore, do not call for any further comments.

EMPLOYEES

The Company does not have any employee whose particulars is 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.

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.

There was no Foreign Exchange Earnings/Outgo during the financial Year.

LISTING

The Equity Shares of the Company are listed on Mumbai, Stock Exchange. The Company has not paid the Annual listing fees to Stock Exchanges for the year 2013-2014.

ACKNOWLEDGMENTS

Your Directors convey their gratitude to Canara Bank/GSFC 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 staffs and workers of the Company.

FOR AND ON BEHALF OF THE BOARD
MAHENDRA KUMAR BOTHRA
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date: 28/08/2014