

TENTH ANNUAL REPORT

2001-2002



PROCAL ELECTRONICS INDIA LIMITED

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BOARD OF DIRECTORS

SHRI MAHENDRA KUMAR BOTHRA

CHAIRMAN
& MANAGING DIRECTOR

SHRI SURESH J. BHAGWAT

WHOLE TIME DIRECTOR

SHRI SHREYANSH DASSANI

DIRECTOR

BANKERS

CANARA BANK

AUDITORS

JAIN & KOTHARI
CHARTERED ACCOUNTANTS
43, ONLOOKER, SIR. P.M. 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.

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PROCAL ELECTRONICS INDIA LIMITED

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

NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the Members of the company will be held at Navyojana Sadan, Near Diana Talkies, Tardeo, Mumbai - 400 034 on Monday, September 30, 2002 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, 2002 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 Shreyansh Dassani who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

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.

By order of the Board,

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

MAHENDRA KUMAR BOTHRA
Managing Director

Date : August 24, 2002.

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PROCAL ELECTRONICS INDIA LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present herewith the Tenth Annual Report together with the Statement of Accounts for the year ended March 31, 2002.

FINANCIAL RESULTS :

	2001-02 (Rs. in lacs)	2000-01 (Rs. in lacs)
Sales and Other Income	393.94	877.44
Profit/(Loss) before Depreciation	(73.81)	20.87
Less: Depreciation	78.92	21.67
Profit/(Loss) before Tax	(152.73)	(00.80)
Add :Deferred Tax (Net) for the year	22.98	-
Less: Earlier year Interest on tax	5.20	-
	(134.95)	(0.80)
Less : Provision for Tax	-	(0.63)
Add : tax for the earlier year w/back	0.28	-
Profit/(Loss) after Tax	(134.67)	(1.43)
Profit/(Loss) brought forward from previous year	247.12	248.55
Balance carried to Balance Sheet	112.45	247.75

DIRECTORS :

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

Shri Manakchand Bothra resigned as Director on 3rd July 2002.

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 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.

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CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTIONS 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. 51.31 Lacs
- (2) Foreign Exchange Outgo : Rs 157.67 Lacs

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 2002-2003.

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.

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.

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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 24, 2002.



Procal Electronic India Limited

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, 2002 and the Profit and Loss Account of the Company for the year ended on that date. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement of the matter specified in paragraphs 4 & 5 of the said order.
3. Further to our comments in the annexure referred to above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.
 - b) Proper books of accounts as required by law have been kept by the Company as far as appears from our examination of the books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
 - d) 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.
 - e) On the basis of representations received from the directors as on 31st March, 2002, we report that none of the directors are disqualified from being appointed as director in terms of clause (g) of Subsection (1) of Section 274 of the Companies Act, 1956.
 - f) 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:
 - a) In so far as it relates to Balance Sheet of the state of affairs of the Company as at 31st March 2002.
 - AND
 - b) In so far as it relates to Profit and Loss Account of the LOSS for the year ended on 31st March 2002.

ANNEXURE

Procal Electronics India Limited

- 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 except stock lying with custom, 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.

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- vii) The Company has taken interest free loan from director of the Company and repaid during the year, the other terms and conditions of such loan is not prima-facie prejudicial to interest of the Company. As explained to us there are no companies under the same management as defined under Sub-Section (113) of Sec 370 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 of the Companies Act, 1956. There are no Companies under the same management as defined under Sub-Section (1B) of Sec 370 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 sold and purchase goods in aggregating to Rs. 50,000/- or more in value to/from a party listed in the register maintained u/s 301 of the Companies Act, 1956, prices charged/paid are reasonable having regards to prevailing market prices for such goods or the prices at which transactions for similar goods have been made with other parties. There are no purchase transactions aggregating to Rs. 50,000/- or more with above parties.
- xii) As per information provided, the Company has regular procedure for determination of unserviceable or damaged stores, raw materials and finished goods. There are no such unserviceable and damaged goods during the year.
- xiii) As per information provided, the Company has not accepted any fixed deposit, from Public to which provisions of Sec. 58A of the Companies Act, 1956 are applicable.
- xiv) We are informed that the nature of business is such that no scrap is generated during production, the Company has no by-product.
- xv) The Company has its own internal audit system, which in our opinion is commensurate with the size and nature of its business.
- xvi) As per the information provided, the maintenance of the cost records and accounts has not been prescribed by the Central Government u/s 209(I)(d) of the Companies Act, 1956 for the products manufactured by the Company.
- xvii) According to the records of the Company, provident fund dues have been regularly deposited by the company with the appropriate authorities, however there were delays in depositing the same in many cases for its Silvassa Unit & in few cases in Mumbai. There are no dues outstanding at the year end. As explained to us the provisions of ESIC Act are not applicable to the Company.
- xviii) There are no undisputed amounts payable in respect of Wealth Tax, Custom Duty and Excise Duty as at 31st March, 2002 however Income Tax dues of Rs. 20.52 lacs and Sales Tax dues of 0.07 lacs were outstanding for a period of more than six months from the date they become payable.
- xix) According to the explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with the generally accepted business practices.
- xx) The Company is not a Sick Industrial Company with in the meaning of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985 (I of 1986).
- xxi) In respect of the service activities of the Company, the nature of services rendered is such, that the provisions of Para 4 B of the order are not applicable.
- xxii) In respect of the trading activities of the Company, according to the information & explanations given to us there were no damaged goods as determined by the Company.

MUMBAI
24th August -2002

FOR JAIN & KOTHARI
Chartered Accountants
(B. L. JAIN)
PARTNER



Procal Electronic India Limited

BALANCE SHEET AS AT 31ST MARCH-2002

	SCHEDULE	AS ON 31.03.2002		(RUPEES) AS ON 31.03.2001	
<u>SOURCES OF FUNDS</u>					
Shareholders Funds					
Share Capital	A	35,000,000		35,000,000	
Reserves and Surplus	B	<u>11,048,369</u>	46,048,369	<u>24,995,958</u>	59,995,958
Loan Funds					
Secured Loans	C	47,984,675		48,794,347	
Unsecured Loans		<u>2,984,496</u>		<u>1,573,467</u>	
			50,969,171		50,367,814
			<u><u>97,017,540</u></u>		<u><u>110,363,772</u></u>
<u>APPLICATION OF FUNDS</u>					
Fixed Assets					
Gross Block	D	46,512,493		45,882,246	
Less : Depreciation		<u>20,541,274</u>		<u>12,909,841</u>	
Net Block		25,971,219		32,972,405	
Capital Work In Progress		<u>19,24,059</u>		<u>19,88,631</u>	
			27,895,278		34,961,036
Investments	E		6,132,623		6,678,623
<u>Current Assets, Loans & Advances</u>					
Inventories	F	25,560,694		24,036,196	
Sundry Debtors	G	90,278,172		111,193,140	
Cash and Bank Balances	H	992,719		1,608,791	
Loans and Advances	I	13,986,250		25,183,960	
		<u>130,817,835</u>		<u>162,022,088</u>	
<u>Less : Current Liabilities and Provisions</u>					
Current Liabilities	J	67,213,612		91,750,793	
Provisions		<u>2,820,000</u>		<u>2,300,000</u>	
Net Current Assets			60,784,223		67,971,295
Deferred Tax Assets (Net)			1,817,080		-
Miscellaneous Expenditure	K		388,336		752,818
(to the extent not written-off or adjusted)			<u><u>97,017,540</u></u>		<u><u>110,363,772</u></u>
Notes to the Accounts	Q				

As per our attached Report of even date

For JAIN & KOTHARI
Chartered Accountants

MAHENDRA KUMAR BOTHRA
CHAIRMAN & MANAGING DIRECTOR

(B.L.JAIN)
PARTNER

SURESH J.BHAGWAT
DIRECTOR

PLACE : MUMBAI
DATED : 24th August 2002

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DATED : 24th August 2002