TWENTY FOURTH ANNUAL REPORT

2015-2016

PROCAL ELECTRONICS INDIA LIMITED

(CIN : L32109MH1992PLC066276)

TWENTY FOURTH ANNUAL REPORT 2015-2016

BOARD OF DIRECTORS

SHRI MAHENDRA KUMAR BOTHRA	CHAIRMAN & MANAGING DIRECTOR
SHRI DHARMENDRA SHARMA	INDEPENDENT DIRECTOR
MS. RENU BOTHRA	WOMAN DIRECTOR
SHRI PRADEEP KOTHARI	INDEPENDENT DIRECTOR
SHRI MANAKCHAND BOTHRA	CFO

BANKERS

CANARA BANK

AUDITORS

Arvind Baid & Associates

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

WORKS - (Closed since 2001)

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, GUJARAT.

3) 23/25/27 & 28, AMLI INDUSTRIAL ESTATE,
66 KVA SUBSTATION ROAD,
AMLI, SILVASSA.

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Procal Electronics India Limited will be held on Monday, 1st August 2016; at its registered office;201, Dhruv, Shyam Baba House CHS Ltd., Upper Govind Nagar, Malad – East, Mumbai – 400097 at 11.30 am, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2016 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.

2. To re-appoint Ms.RenuBothra, a Woman Director of the Company who retires by rotation but being eligible offers herself of the same.

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

"RESOLVED THAT pursuant to provisions of Section 139 (8) of the Companies Act, 2013 and Rules made there under M/s. Arvind Baid & Associates, Chartered Accountant, be and is hereby noted to be appointed as a Statutory Auditor of the Company by the Board of Directors in their meeting held on 02/05/2016; being a casual vacancy occurred due to resignation of the previous auditors."

"FURTHER RESOLVED THAT as per the provisions of section 139 (1) of the Companies Act 2013 and the related Rules made thereunder, the Chartered Accountants; M/s ArvindBaid& Associates, be and are hereby appointed as a Statutory Auditors for one term of 5 years starting from the end of this Annual General Meeting till the end of 29th Annual general Meeting of the Company to be held for the Financial year 2020-21, subject to a ratification of his appointment and remuneration in every ensuing Annual general meeting."

Place: Mumbai
Date: 5th July 2016

By order of the Board Of Directors
Sd/-
Mahendra Kumar Bothra
Managing Director

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/herself and a proxy need not be a member.
2. The instrument appointing a proxy should be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday the 26th July 2016 to Monday the 1st August 2016 (both days inclusive).
4. Members are requested to notify promptly any change in their addresses to the Company's Registrars and Share Transfer Agents, Satellite Corporate Services Private Limited, B-302, Sony Apartment, Opp. St. Jude's High School, Off AndheriKurla Road, Jarimari, Sakinaka, Mumbai - 400 072.
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 24th 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):

   Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

The instructions for shareholders voting electronically are as under:

(I) The voting period begins on 29th July, 2016 at 9.00 am and ends on 31st July, 2016 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 25th July, 2016 Record Date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
(iii) The shareholders should log on to the e-voting website www.evotingindia.com.
(iv) Click on Shareholders.
(v) Now Enter your User ID
a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
(vi) Next enter the Image Verification as displayed and Click on Login.
(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
(viii) Shareholders using first time the electronic voting shall follow the given below steps:

	For Members holding sharesin Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)· ♦ 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 8 digits of the sequence number in the PAN field.· ♦ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company recordsin order to login.· ♦ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) 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 filed. 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 parson and take utmost care to keep the password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the relevant EVSN (here 160701012) for Procal Electronics India Limited. On which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTION FILE LINK", if you wish to view the entire resolution details.

(xv) 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.

(xvi Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xxi) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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 a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed 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.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

6. Ms. Manisha Khater - Proprietress of M/s. Manisha C. Khater& Associates – Company Secretaries (FCS - 8255 & COP - 8692) has been appointed as the Scrutiniser to scrutinise the e-voting process in the fair and transparent manner.
7. 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.
8. 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.
9. The results declared along with the scuritinizer'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 he Company are listed.
10. 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.

Registered Office:

201, DHRUV, SHYAM BABA CHS. LTD.
UPPER GOVIND NAGAR, MALAD (EAST),
MUMBAI – 400097**(DIN NO. 01103297)**
MAHARAHSTRA

By order of the Board of Directors

Mahendra Kumar Bothra
Chairman and Managing Director

STATEMENT PURSUENT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

As per the provisions of Section 139(8) of the Companies Act, 2013 and related Rule 3 of Companies (Audit and Auditors) Rules, 2014, the casual vacancy arrived in the company on receiving the resignation letter from the previous auditors (Jain & Kothari, Chartered Accountants); the Board of Directors of the Company, after receiving recommendations from the Audit Committee, appointed M/s. Arvind Baid& Associates, (Regn. No.137526W) Chartered Accountants from Malad, Mumbai; as the Statutory Auditors of the Company; after receiving their certification of eligibility as per the Companies Act 2013, and other related Acts. The management hereby recommends the members of the Company to approve the said appointment and to further appoint the new Auditors (ArvindBaid& Associates) for the further term of 5 years from this Annual General Meeting till the next 6th Annual General Meeting from now, as per the provisions and rules under the Companies Act 2013.

DIRECTOR'S REPORT

To,
The Members,
PROCAL ELECTRONICS INDIA LTD
Your Directors have pleasure in presenting their 24th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

1. Financial summary or highlights/Performance of the Company
The Company's financial performance for the year under review alongwith previous year's figures are given hereunder;

Particulars	2015-2016	2014-15
Gross Income	0	0
Profit Before Interest and Depreciation	1,41,963	-4,05,280
Finance Charges	0	0
Gross Profit	0	0
Provision for Depreciation	1,77,623	0
Net Profit Before Tax	-35,660	-4,05,280
Provision for Tax	0	0
Net Profit After Tax	-35,660	-4,05,280
Balance of Profit brought forward	-35,660	-4,05,280
Balance available for appropriation	0	0
Proposed Dividend on Equity Shares	0	0
Tax on proposed Dividend	0	0
Transfer to General Reserve	0	0
Surplus carried to Balance Sheet	-35,660	-4,05,280

2. Brief description of the Company's working during the year under review
During the year, your company had not carried any business.

3. Change in the nature of business, if any
During the year, your company had neither changed any nature of business nor changed any nature of business.

4. Dividend
Due to non-availability of surplus profit, your company had not declared any dividend during the year under review.

5. Reserves & Surplus
Your company had transferred the losses amounting to Rs. (35,660)/- to reserves and surplus during the year under review.

6. Change of Name
Your company had not changed its name during the year under review.

7. Share Capital
Your company had neither increased its authorised capital nor made any allotment during the year under review.

i. Buy back of securities

The Company has not bought back any of its securities during the year under review.

ii. Sweat Equity Shares

The company has not issued any Sweat Equity shares during the year under review.

iii. Bonus Shares

The company has not issued any Bonus shares during the year under review.

iv. Employee Stock Option Scheme

The company has not provided any stock option scheme to its employees during the year under review.

8. Directors and Key Managerial Personnel

Mrs. Renu Bothra Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for reappointment.

9. Corporate Governance and Management discussion and analsis

As per the requirement of listing agreement with Stock Exchanges, your company has complied with requirements of Corporate Governance along with Management Discussion and Analysis in all material aspects.

A report on Corporate Governance together with a certificate of its compliance from Statutory Auditors and Management Discussion and Analysis, forms part of this report as **Annexure "A".**

10. Audit Committee

The details pertaining to composition of audit committee are included in Corporate Governance Report, which forms part of this Report.

11. Policy on Director's appointment and remuneration and other details

The Company's policy on director's appointment and remuneration and other matters provided in section 178 (3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the director's report.

12. Risk Management

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report. The Risk Management Policy is annexed as **Annexure "B"** to this report.

13. Stakeholders' Relationship Committee

The details pertaining to Stakeholder's Relationship Committee are included in the Corporate Governance Report which forms the part of this report.

14. Particulars of Employees

The provisions of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is not applicable to your company during the year under review.

15. Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 6 Board Meetings were held, please refer to Corporate Governance Report, which forms part of this Report.

16. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

17. Declaration by an Independent Directors and their meeting

The declarations by Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 are taken by the company.

Independent Directors' Meeting

During the year under review, the Independent Directors met on 30th January, 2016, inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

18. Details of Subsidiary/Joint Ventures/Associate Companies

Your company neither has subsidiary and/or associate companies nor has your company entered into any joint venture during the year under review.

19. Auditors:

The Auditors, M/s Jain & Kothari, Chartered Accountants **(FRN No.103870W)**, resigned due to their pre-occupations on 23/04/2016 and M/s Arvind Baid & Associates, Chartered Accountants were appointed on 02/05/2016 in their place to fill the casual vacancy; members are thus requested to approve their appointment at the ensuing Annual General Meeting and, they being eligible; reappoint them for the term of 5 years from financial year 2016-2017 as per the provisions of the Companies Act 2013, subject to ratification of their appointment in every coming AGM in that term.

20. Auditors' Report

The Auditors Report is self-explanatory with all the disclosures wherever required. The Directors here need not require any clarifications as the company is not in operations since last few years, except pending statutory dues, there are no further penalties except that of due to few delays and non fulfilment of statutory SEBI requirement as unavailability of funds in the company.

Report on the Internal Financial Controls: The Internal Financial Controls were adequate and operating effectively as per the Financial Statements of the Company. The report on the same is annexed to the Auditor's Report.

21. Disclosure about Cost Audit

As per the Cost Audit Orders in pursuance to section 148 and all other applicable provisions of the Companies Act, 2013, Cost Audit is not applicable to the Company during the year under review.

22. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, Mrs. Puneeta Jain, Practicing Company Secretary have been appointed as Secretarial Auditor of the Company for the year 2015-2016. The report of the Secretarial Auditors is enclosed as **Annexure "C"** to this report.

The Auditor has made qualifications; and marked adversely in her report in para 1, 2 (c) (i) and (r), 5th Para of point 3 and the last para of the said report.

The Directors comment on qualifications and remarks in respect of para 1, due to in-operative business and continuous losses in the company, it was not possible to maintain functional website.

The Directors comment on qualifications and remarks in respect of para 2 (r), due to in-operative business and continuous losses in the company; it was unable to appoint Company Secretary, internal Auditor in the company.

The Directors comment on qualifications and remarks in respect of 5th Para of point 3 and last para, due to in-operative business and continuous losses in the company, penalties and fines were remained unpaid and adequate systems were unable to be in place to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

23. Internal Audit & Controls

Due to in-operative business and continuous losses in the company, the management was unable to appoint internal auditors during the year. However the management assures that the internal auditors will be appointed at the earliest.

24. Vigil Mechanism :

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy is enclosed herewith as **Annexure "D"**

25. Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **Annexure "E"** .

26. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No such changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

27. Conservation of energy, technology absorption and foreign exchange earnings and outgo. The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(A) Conservation of energy:
Particulars in respect of conservation of energy are NIL.

(B) Technology absorption:
Particulars in respect of conservation of energy are NIL.

(C) Foreign exchange earnings and Outgo:
The Foreign Exchange earned in terms of actual inflows was NIL during the year and the Foreign Exchange outgo was NIL during the year in terms of actual outflows.

28. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No such orders were passed against the company by any regulators, courts and/or tribunals impacting the going concern status and company's operations in future during the year under review, except amount of Rs. 2,36,160/- is not paid to Income Tax Authorities, Central Excise Tribunal, Mumbai levied a penalty of Rs. 1,65,20,069 which is still unpaid and the company has defaulted in payment of dues amounting of Rs. 204.36 lacs to Canara Bank and Rs.735.38 lacs to Gujarat State Financial Corporation and few penalties laid