

PEL99/1

P A C E ELECTRONICS LIMITED

23RD

ANNUAL ACCOUNTS

1998-99

BOARD OF DIRECTORS

MR. N.S. SUREKA	CHAIRMAN
MR. RAJ N. SUREKA	MANAGING DIRECTOR
MRS. P.N. SUREKA	DIRECTOR
DR. (MRS.) A.N. BAJAJ	DIRECTOR
MR. RAJESH A. CHAUDHARY	DIRECTOR
MR. VINAY B. PODDAR	DIRECTOR

BANKERS

CENTRAL BANK OF INDIA
BANK OF MAHARASHTRA
GLOBAL TRUST BANK LTD.
HONGKONG & SHANGHAI BANKING CORPORATION LTD.

AUDITORS

DILIP JAIN & CO.
CHARTERED ACCOUNTANTS
MUMBAI

REGISTERED OFFICE

7, SWASTIK SOCIETY,
GULMOHAR ROAD,
VILE PARLE-W,
MUMBAI 400 056

For PACE ELECTRONICS LTD

[Signature]
Director

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M/S PACE ELECTRONICS LTDNOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Wednesday, the 29th September, 1999 at 5.00 p.m. at Registered Office of the Company, 7, Swastik Society, Gulmohar Road, Vile Parle (W). Mumbai 400 056. to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 1999 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To elect a Director in the place of Mr. Rajesh A. Choudhary who retire by rotation and, being eligible, offers himself for re-election.
3. To elect a Director in the place of Mrs. Pushpa N. Sureka, who retires by rotation and, being eligible, offers herself for re-election.
4. To appoint Auditors and fix their remuneration.

Special Business :

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution :-

"Resolved that pursuant to the provisions of Sections 198, 269, 309, 310, & 311 read with Schedule XIII (including any statutory modification or enactment thereof for the time being in force) and other applicable provisions, if any, of the Companies Act, 1956 and subject to provisions of the Articles of Association, the Company hereby approves the re-appointment of and the terms of remuneration of Shri Raj N. Sureka as Managing Director of the Company, not liable to retire by rotation for a period of five years with effect from 1st September, 1999, upon the terms and conditions set out in the draft agreement being placed before the meeting and for identification signed by the Chairman which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter, revise and vary from time to time the terms and conditions of the appointment and/or agreement in such manner as may be agreed to between the Board and Shri Raj N. Sureka within the overall limits of remuneration as approved in the draft agreement. And Resolved further that the Board of Directors be and is hereby authorised to take all such steps and do all such acts, deeds, matters, and things as may be necessary, expedient or desirable to give effect to this resolution."

X **M/S PACE ELECTRONICS LTD**

[Signature]
Director

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M/S PACE ELECTRONICS LTD

NOTES :

- i. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A proxy form duly completed and signed should be deposited at the Registered office of the Company not later than 48 hours before the commencement of meeting.
- ii. The Register of Members & share transfer Books of the Company will remain closed from Saturday, the 25th September 1999 to Wednesday, the 29th September 1999 (both days inclusive).
- iii. Members are requested to notify change in address if any immediately to the Registered office of the Company.
- iv. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item No's of the above notice is enclosed herewith.

By order of the Board

N.S. Sureka
[Chairman]

Dated : 12-08-99

Registered office : 7, Swastik Society, Gulmohar Road, Vile Parle-W,
Mumbai 400 056

For PACE ELECTRONICS LTD


Director

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DIRECTORS REPORT

THE MEMBERS OF
PACE ELECTRONICS LTD.
MUMBAI

The Directors hereby present their Twenty Third Annual Report together with the audited statement of accounts for the year ended 31st March 1999.

1. **FINANCIAL RESULTS**

	YEAR ENDED 31.03.99 ----- RS. IN LAKHS	YEAR ENDED 31.03.98 ----- RS. IN LAKHS
SALES AND OTHER INCOME	23.31 =====	9.79 =====
PROFIT BEFORE DEPRECIATION & TAXES	5.13	1.09
DEPRECIATION	3.40	2.47
TAXATION	0.33	0.08
BALANCE LOSS/PROFIT	1.40	(-) 1.46
PRIOR PERIOD EXP. (INCOME TAX)	4.32	-
BALANCE TRANSFERRED TO GENERAL RESERVE/	(-) 2.92	(-) 1.46
PROFIT & LOSS APPROPRIATION A/C		

2. **DIVIDEND :**

The directors do not recommend any dividend for the year under review due to inadequate profit earned during the year.

3. **PERFORMANCE AND FUTURE PROSPECTS**

During the year under review the Company achieved a turnover of Rs. 12.92 lacs in comparison with the previous year turnover of Rs. 1.85 lacs. Your Directors are hopeful that Company's turnover will increase in the near future by adopting new & advanced technology in the field of production. Your Board has been making efforts to explore the possibilities of new products in order to diversify the product Range of Company.

4. **STAFF AND LABOUR:**

The relations with the staff and labour have been peaceful and cordial. The Directors wish to place on record their deep appreciation for the services rendered by the staff and workers of the Company at all levels.

For PACE ELECTRONICS LTD

Director

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5. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 Mr. Rajesh A. Choudhary and Mrs. Pushpa N. Sureka Directors of the Company retire by rotation and are eligible for re-appointment. The ordinary resolution for your approval for re-appointment of Mr. Raj N. Sureka as Managing Director pursuant to Section 269 of the Companies Act, 1956 read with Schedule XVI thereto is being placed at the ensuing Annual General Meeting.

6. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

The required information U/S 217 (1) of the Companies Act read with rule 2 of the Companies [Disclosure of particulars in the report of Board of Directors] Rules 1988 in the prescribed format is annexed.

7. PARTICULARS OF EMPLOYEES: [AS REQUIRED IN THE SEC.217 [2A] OF THE COMPANIES ACT, 1956.]

None of the employees of the Company was in receipt of remuneration exceeding Rs. 6,00,000/- per annum who were employed for the full year or Rs. 50,000/- per month, who were employed for part of the year.

8. AUDITORS :

M/S DILIP JAIN & CO. Chartered Accountants retire at ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

9. YEAR 2000 STATUS :

The Company has initiated prudent and reasonable steps to minimise the risk of exposure to the Y2K complaint. The Financial impact on the Company as anticipated would not be material to its Financial or its operations.

10. LISTING OF SHARES :

The Company's shares are listed with Mumbai Stock Exchange, Dalal Street, Fort, Mumbai - 23 and the listing fees for the year 1998-99 has been paid on time.

For and on behalf of Board.



N.S. Sureka [Chairman]

Place : Mumbai

Dated : 03-08-99

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ANNEXTURE TO THE DIRECTOR'S REPORT

CONSERVATION OF ENERGY:

The manufacturing process does not involve intensive use of power hence energy consumption is relatively low. The Company has taken suitable measure, where applicable for conservation of energy.

The particulars as per form A need not be furnished as the same is considered as not applicable to Electronics Industry.

RESEARCH & DEVELOPMENT:

No Research & Development work has been carried out by the Company and therefore there is no expenditure on this head nor any other benefit accrued from it.

TECHNOLOGY ABSORPTION:

No Technology was imported for any activity of the Company and as such absorption of the same does not arise.

FOREIGN EXCHANGE EARNING & OUTGO:

	CURRENT YEAR	PREVIOUS YEAR
EARNINGS	---	---
OUTGO (TRAVELLING EXP)	40,048	39,848
ON BEHALF OF THE BOARD		

 N.S. SUREKA
 [CHAIRMAN]
 PLACE : MUMBAI
 DATED : 03-08-99

For PACE ELECTRONICS LTD

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Sur
 Director

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AUDITORS' REPORT

To,
The Members,
Pace Electronics Limited
BOMBAY.

We have audited the attached Balance Sheet of PACE ELECTRONICS LIMITED as at 31st March, 1999 and also the Profit & Loss Account of the Company for the year ended on that date, annexed thereto, and report that:

1. As required by the Manufacturing and other Companies [Auditor's Report] Order, 1988 issued by the Company Law Board in terms of Section 227 [4a] of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the ANNEXTURE referred to in paragraph 1 above:
 - a. 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.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books.
 - c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of Account.
 - d. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with 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 the Balance Sheet, of the State of Affairs of the Company as at 31st March, 1999.
 - and
 - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date.

For DILIP JAIN & CO.
Chartered Accountants

Place : Mumbai
Dated : 03-08-99

[DILIP KUMAR M. JAIN]
proprietor

For PACE ELECTRONICS LTD

[Signature]
Director

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ANNEXTURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON THE ACCOUNTS OF PACE ELECTRONICS LIMITED FOR THE YEAR ENDED 31ST MARCH, 1997

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory were noticed.
2. The fixed assets of the Company have not been revalued during the year.
3. The stock of trading goods has been physically verified by the management at reasonable intervals.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. No discrepancies have been noticed on physical verification of stocks as compared to book records.
6. In our opinion and on the basis of our examinations, the valuation of stock is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The company has not taken or granted any loans, secured or unsecured from/to firms or other parties listed in the register maintained under Section 301 or to the companies under the same management within the meaning of Section 370 [1B] of the Companies Act, 1956. In case of loans granted and/or taken from companies listed in the register maintained U/s 301 the terms whereof are not prima facie prejudicial to the interest of the Companies.
8. In respect of loans and advances in the nature of loans given by the company, parties are regular in the payment of interest and where such payment are not received, reasonable steps have been taken for recovery thereof or payment terms have been rescheduled.
9. There is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of trading goods, plant & machinery, equipment and other assets, and for the sale of goods.
10. According to the information and explanations given to us there are no transactions of purchase of goods and materials and sale of goods, materials and services aggregating during the year to Rs. 50,000 or more in respect to each party made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
11. As explained to us, the company has no unserviceable or damaged goods.
12. According to the information and explanation given to us, the Company has not accepted deposits from the public. Therefore provision of section 58 A of the Companies Act, 1956 and the Companies [Acceptance of Deposits] Rule, 1975 are not applicable to the Company.
13. The Company has an internal audit system commensurate with the size and nature of its business.

For PACE ELECTRONICS LTD

[Signature]
Director