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**31<sup>ST</sup>  
ANNUAL  
REPORT  
2006 - 2007**

**Pace Electronics & Textiles Limited**



# **PACE ELECTRONICS & TEXTILES LIMITED**

## **BOARD OF DIRECTORS**

Ashok Gupta	Chairman & Managing Director
Raj N Sureka	Director
Mohit Sureka	Director
Vinay B Poddar	Director
Vinod J Bansal	Director

## **COMPLIANCE OFFICER**

Ashok Bothra

## **AUDITORS**

Jain Anil & Associates  
Chartered Accountants

## **BANKERS**

Corporation Bank  
Oriental Bank of Commerce

## **REGISTERED OFFICE**

Show Room No. 1& 2, Concord CHS Ltd.  
N. S. Road No. 10  
JVPD, Vile Parle (W),  
Mumbai-400 049.

## **REGISTRAR & SHARE TRANSFER AGENT**

**Purva Sharegistry (India) Pvt. Ltd.**  
33, Printing House,  
28-D, Police Court Lane  
Fort, Mumbai - 400 001.

## **ANNUAL GENERAL MEETING**

Date : 28<sup>th</sup> September, 2007  
Time : 10.30 A.M.  
Venue : Show Room No. 1& 2, Concord CHS Ltd.  
N. S. Road No. 10, JVPD,  
Vile Parle (W), Mumbai-400 049.



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**Members are requested to bring their copy of Annual Report at the time of Meeting**

**NOTICE**

Notice is hereby given that the Thirtieth Annual General Meeting of the members of **PACE ELECTRONICS & TEXTILES LIMITED** will be held on Friday, the 28<sup>th</sup> day of September, 2007 at 10.30 A.M. at Showroom No. 1 & 2, Concord CHS Ltd., N. S. Road No. 10, JVPD, Vile Parle (W), Mumbai-400 049 to transact the following business as :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2007.
2. To appoint Director in place of Mr. Raj N. Sureka, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Mohit Sureka, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

**Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself. A proxy need not be a member. Proxy form is enclosed herewith. Proxies to be effective should be deposited at the registered office of the company not less than 48 hours before the meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 25<sup>th</sup> September 2007 to 28<sup>th</sup> September 2007 (both days inclusive).
3. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
4. Members are requested to intimate change in their address immediately to M/s Purva Sharegistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at 33, Printing House, 28-D, Police Court Lane, Fort, Mumbai - 400 001.
5. Members holding shares in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
6. Members are requested to bring copies of Annual Report to the Annual General Meeting.
7. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
8. Members are requested to quote Folio Number/Client ID & DP ID in their correspondence.
9. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Listing Fees for the financial year 2007-2008 have been paid to Bombay Stock Exchange Ltd.

Mumbai, July 10, 2007

By order of the Board  
For **PACE ELECTRONICS & TEXTILES LTD.**

Registered Office :

Showroom No. 1 & 2, Concord CHS Ltd.

N. S. Road No. 10, JVPD, Vile Parle (W)

Mumbai-400 049

**ASHOK GUPTA**  
Chairman & Managing Director

**PACE ELECTRONICS & TEXTILES LIMITED ————— 31ST ANNUAL REPORT****DIRECTORS' REPORT, MANAGEMENT DISCUSSION & ANALYSIS**

To The Members,

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2007.

(Rs. in Lacs)

<b>Financial Results</b>	<b>Year Ended 31.03.2007</b>	<b>Year Ended 31.03.2006</b>
Income	<b>28.10</b>	67.95
Profit before Tax & extraordinary item	<b>21.27</b>	61.81
Less : Extra-ordinary Items	<b>0.09</b>	0.00
Less : Provision for Taxation	<b>7.30</b>	3.50
Profit after Tax	<b>13.88</b>	58.31
Add : Profit brought forward from Previous Year	<b>60.29</b>	1.98
Balance carried forward	<b>74.17</b>	60.29

**DIVIDEND**

With view to conserve resources and to meet the working capital requirement, your Directors do not propose any dividend for the year under review.

**OPERATIONS**

Due to tough competition in local market and lack of demand of textile output and its allied products the profitability has gone down significantly. However, the Company has managed to survive and is in profit for the year under review. Company is in hope of doing well in coming months.

**PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

**DIRECTORS**

As per the provisions of Articles of Association Mr. Raj N. Sureka & Mr. Mohit Sureka who retires by rotation are eligible for reappointment.

**AUDITORS**

The Auditors M/s Jain Anil & Associates, Chartered Accountants, Mumbai hold the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors U/S 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint the Auditors and fix their remuneration.

**PACE ELECTRONICS & TEXTILES LIMITED ————— 31ST ANNUAL REPORT****COMMENTS ON AUDITOR'S REPORT :**

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

**STATUTORY INFORMATION****PARTICULARS OF EMPLOYEES**

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial through out the year.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

**PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956**

The Company is engaged in the business of trading of textile goods and its allied products hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be NIL.

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts, for the year ended 31<sup>st</sup> March 2007, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted 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 the profit 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.

**REPORT ON CORPORATE GOVERNANCE**

The Company is committed to good Corporate Governance. The Company respects the rights of its Shareholders to inform on the performance of the Company and its endeavor to maximize the long-term value to the Shareholders of the Company. As per Clause 49 of the listing Agreement of the Stock Exchange, a report on Corporate Governance is set out separately, which forms part of this report.

**PACE ELECTRONICS & TEXTILES LIMITED ————— 31ST ANNUAL REPORT**

**ACKNOWLEDGEMENT**

The Board of Directors wishes to express their deep sense of appreciation and gratitude to all Employees, Bankers and Clients for their assistance, support and co-operation extended by them. In the end the Directors, wish to sincerely thank all shareholders for their continued support.

Mumbai, July 10, 2007

By order of the Board  
For **PACE ELECTRONICS & TEXTILES LTD.**

Registered Office :  
Showroom No. 1 & 2, Concord CHS Ltd.  
N. S. Road No. 10, JVPD, Vile Parle (W)  
Mumbai-400 049

**ASHOK GUPTA**  
Chairman & Managing Director



## ANNEXURE TO THE DIRECTOR'S REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance for **Pace** is passion, motto and culture. To attain growth in all facets and at the same time ensuring welfare of the society at large is only possible by adhering to high standards of Corporate Governance.

We are proud that we believe in Corporate Governance not only a law but in spirit too. Our endeavor is to maximize the wealth of the stakeholders by managing the affairs of the Company with pre-eminent level of accountability, transparency and integrity.

We believe that accurate and timely disclosures improve public understanding on the activities of the Company which consequently attracts investors towards the Company. We aim to adopt best International practices in Corporate Governance and are confident of achieving it.

**Pace** has during its way towards growth, adopted the **Pace** Code of Conduct and **Pace** Prevention of Insider Trading Program. The Company has in place an Information Security Policy that ensures proper utilization of the IT Resources.

### BOARD OF DIRECTORS

The constitution of the Board is in conformity with the provisions of Clause 49 of the listing Agreement of the Stock Exchange. The Board consists of five Directors out of which three members are Independent Directors.

The Board of Directors met 5 times on 30<sup>th</sup> June, 31<sup>st</sup> July, 10<sup>th</sup> August and 31<sup>st</sup> October in year 2006 and on 31<sup>st</sup> January in the year 2007 during the financial year 2006-2007.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	No. of Directorship in other Public Ltd. Co.
Ashok Gupta*	Chairman & Managing Director	5	Yes	2	2	Nil
Raj N Sureka	Whole time Director	5	Yes	1	1	Nil
Mohit Sureka	Independent Director	5	Yes	1	0	Nil
Vinay A Poddar	Independent Director	5	Yes	4	0	Nil
Vinod J Bansal	Independent Director	5	Yes	1	1	Nil

Chairman of the Board

**PACE ELECTRONICS & TEXTILES LIMITED ————— 31ST ANNUAL REPORT****AUDIT COMMITTEE**

The Audit Committee consists of one whole time director along with two Independent Directors.

The Audit Committee reviews the Company's financial reporting process, disclosure norms, internal control systems, risk management policies, accounting policies and practices as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, scope for observations of the auditors and adequacy of the internal audit function.

The members of Audit Committee met four times on 30<sup>th</sup> June, 31<sup>st</sup> July & 31<sup>st</sup> October in year 2006 and on 31<sup>st</sup> January in year 2007 during the financial year ended on 31<sup>st</sup> March 2007.

Name	Number of Meetings Held	Meetings Attended
Mr. Ashok Gupta*	4	4
Mr. Vinay Poddar	4	4
Mr. Mohit Sureka	4	4

\*Chairman of Committee

**INVESTORS' GRIEVANCE COMMITTEE**

The Board of Directors has constituted Investors Grievance Committee under the Chairmanship of Mr. Raj Sureka, whole-time Director with other Independent Directors namely Mr. Vinod Bansal and Mr. Vinay Poddar.

The members of Investors Grievance Committee met two times on 30<sup>th</sup> June and 31<sup>st</sup> October in year 2006 during the financial year ended on 31<sup>st</sup> March 2007.

During the year the Company has received three complaints from shareholders which were being resolved. There were no pending complaint at the close of the financial year.

The Company has appointed a Compliance Officer within the meaning of Listing Agreement.

**REMUNERATION COMMITTEE**

The Remuneration Committee consists of two Independent Directors and one Executive Director. It is setup to review the remuneration of Executive Directors.

Name	Number of Meetings Held	Meetings Attended
Mr. Vinod Bansal*	2	2
Mr. Vinay Poddar	2	2
Mr. Ashok Gupta	2	2

\*Chairman of Committee

**DETAILS OF REMUNERATION PAID TO DIRECTORS :**

The payment of salary to Directors was Nil during the financial year 2006-2007.

No Stock option has been allotted to any of the Directors during the financial year 2006-2007.