

32nd
ANNUAL
REPORT
2007-2008

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Page
Textiles Limited

PACE 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

Ramji House, B-5, Ground Floor,
Jambulwadi, Off. Girgaum Road,
Mumbai-400 002

REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.

No. 9, Shiv Shakti Indl. Estate
Gr. Floor, J. R. Boricha Marg
Lower Parel, Mumbai-400 011.

ANNUAL GENERAL MEETING

Date : 26th September, 2008

Time : 11.00 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 **Thirty Second Annual General Meeting** of the members of **PACE TEXTILES LIMITED** (Formerly Pace Electronics & Textile Ltd.) will be held on Friday, the 26th day of September, 2008 at 11.00 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 31st March 2008.
2. To appoint Director in place of Mr. Vinod J. Bansal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Vinay B. Poddar, 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. 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 Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 19th September 2008 to 26th September 2008 (both days inclusive).
3. 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 9, Shiv Shakti Indl. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.
4. Members holding shares in physical form 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.
5. Members are requested to bring copies of Annual Report to the Annual General Meeting.
6. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
7. Members are requested to quote Folio Number/Client ID & DP ID in their correspondence.
8. Members are requested to send their queries in regard to the accounts atleast 10 days in advance to the Registered Office of the Company.
9. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Listing Fees for the financial year 2008-2009 have been paid to Bombay Stock Exchange Ltd.

Mumbai, June 30, 2008

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

Registered Office :

Ramji House, B-5, Ground Floor,
Jambulwadi, Off. Girgaum Road,
Mumbai-400 002

ASHOK GUPTA
Chairman & Managing Director

DIRECTORS' REPORT, MANAGEMENT DISCUSSION & ANALYSIS

To The Members,

Your Directors have pleasure in presenting the 32nd Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2008.

(Rs. in Lacs)

Financial Results	Year Ended 31.03.2008	Year Ended 31.03.2007
Income	39.21	28.10
Profit before Tax & extraordinary item	23.58	21.27
Less : Extra-ordinary Items	0.00	0.09
Less : Provision for Taxation	8.25	7.30
Profit after Tax	15.33	13.88
Add : Profit brought forward from Previous Year	74.17	60.29
Balance carried forward	89.50	74.17

DIVIDEND

In view of low profit as well as in order to meet financial requirement to implement its future plans, your Directors do not propose any dividend for the year under review.

OPERATIONS & FUTURE PLANS

The Company was mainly in the trading activities of textiles products during the year under review. The entire year was rough due to slow down in demand as well as steep fall in the price of products in the international market. The Company was hardly succeeded to maintain its profitability as well as to stay in the market.

During the year, the Company has come out with Preferential Issue in order to enter into the manufacturing line of business of textile products. Out of total inflow of Rs. 7.72 Crore from Preferential Issue, the Company has used sum of Rs. 5.46 Crore for acquiring running unit of manufacturing shirting & suiting at Dadra-Nagar Haveli(U.T.) having 36 machines Sulzer Shuttle Lace Looms. The area of Factory is about 1050 Sq. Mtr. and the capacity is 3000 Mtr. in 3 Shifts Per Month for Suiting and 6000 Mtr. in 3 Shifts Per Month for Shirting. Rest of the fund has been utilized for trading activities of the Company. The projected profit from this acquisition is estimated around Rs. 100.00 Lac per annum.

PUBLIC DEPOSITS

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

DIRECTORS

There was no change in composition of Board during the year under review.

As per the provisions of Articles of Association Mr. Vinod J. Bansal & Mr. Vinay B. Poddar 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 Auditors and fix their remuneration.

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 31st March 2008, 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.

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, June 30, 2008

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

Registered Office :
Ramji House, B-5, Ground Floor,
Jambulwadi, Off. Girgaum Road,
Mumbai-400 002

ASHOK GUPTA
Chairman & Managing Director

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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 9 times on 30th June, 10th July, 31st July, 8th October, 31st October, 13th November and 10th December in year 2007 and on 30th January, 5th February in the year 2008 during the financial year 2007-2008.

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	9	Yes	1	2	Nil
Raj N Sureka	Whole time Director	9	Yes	1	1	Nil
Mohit Sureka	Independent Director	9	Yes	1	0	Nil
Vinay A Poddar	Independent Director	9	Yes	4	0	Nil
Vinod J Bansal	Independent Director	9	Yes	1	1	Nil

* Chairman of the Board

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 30th June, 31st July & 31st October in year 2007 and on 30th January in year 2008 during the financial year ended on 31st March 2008.

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 Director namely Mr. Vinod J. Bansal and Mr. Vinay B. Poddar.

The members of Investors Grievance Committee met two times on 30th June and 31st October in year 2007 during the financial year ended on 31st March 2008.

During the year the Company has not received any complaint from any of shareholder and there was 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*	1	1
Mr. Vinay Poddar	1	1
Mr. Ashok Gupta	1	1

*Chairman of Committee

DETAILS OF REMUNERATION PAID TO DIRECTORS :

The payment of salary to Directors was Nil during the financial year 2007-2008.

No Stock option has been allotted to any of the Directors during the financial year 2007-2008.