

14TH Annual Report 2005-2006

REPORT JUNCTION

HCL OFFICE AUTOMATION LTD.

Board of Directors	S. Murali P.S. Ravishankar S. Rajaraman
Company Secretary	Preeti Saxena
Auditors	S. D. Chopra & Associates
Registered Office	806, Siddharth, 96, Nehru Place, New Delhi - 110 019
Corporate Office	E-4, 5, 6, Sector XI, Noida Distt. Gautam Budh Nagar (U.P.)

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Notice

HCL OFFICE AUTOMATION LTD.

REGD. OFFICE : 806, SIDDHARTH, 96, NEHRU PLACE, NEW DELHI 110 019

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Saturday, the 29th July, 2006 at Air force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110 010 at 3.30 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2006 the Profit and Loss Account for the financial year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. S. Murali who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. S.D. Chopra & Associates, Chartered Accountants, the retiring Auditors, being eligible offer themselves for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. P.S.Ravishankar, Additional Director, appointed in accordance with Section 260 of the Companies Act, 1956 and Article 94 of the Articles of Association of the Company to hold office till the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with a deposit of Rs.500/- from a member under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. S.Rajaraman, Additional Director, appointed in accordance with Section 260

of the Companies Act, 1956 and Article 94 of the Articles of Association of the Company to hold office till the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with a deposit of Rs.500/- from a member under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

6. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"Resolved that subject to the approval of the Central Government pursuant to Section 21 of the Companies Act, 1956, the Company approves the change of the Company's name from 'HCL Office Automation Limited' to 'Universal Office Automation Limited and resultant alteration in Clause I of the Memorandum of Association and Article 1 of the Articles of Association of the Company."

By Order of the Board
for HCL Office Automation Ltd.

New Delhi
12th June, 2006

Preeti Saxena
Company Secretary

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 THE PROXY NEED NOT BE A MEMBER. A BLANK PROXY FORM IS ENCLOSED FOR THE USE BY MEMBERS, IF REQUIRED. THE PROXY FORM DULY FILLED IN AND SIGNED ACROSS THE REVENUE STAMP OF Re 1.00 SHOULD REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.

Notice (contd.)

2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 24th day of July, 2006 to Saturday, the 29th day of July, 2006 (both days inclusive).
3. The Members are requested to notify any change in their addresses/mandates/bank details immediately to the Company's Registrar and Share Transfer Agents for shares held in physical mode. The shareholders holding shares in electronic form are requested to notify any change in their addresses/ mandates/bank details to their depository participants.
4. Members/Proxy holders are requested to produce at the entrance of the auditorium the enclosed admission slip duly completed and signed.
5. Information regarding Re-appointment of Director:-

Mr. S. Murali, Director retires by rotation and being eligible, offers himself for re-appointment. Mr. S. Murali was co-opted on the Board w.e.f. 28th August, 1998. Mr. S. Murali is an independent non-executive Director. He is a Chartered Accountant and has over 20 years of experience.

EXPLANATORY STATEMENT

PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 (annexed to the notice dated 12th June 2006).

Item No: 4

In terms of Section 260 of the Companies Act, 1956, Mr. P. S. Ravishankar was co-opted on the Board as Additional Director with effect from 10th September 2005.

Mr. P. S. Ravishankar has vast experience of over 30 years in Accounts & Finance.

Due notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit has been received from a member, proposing the appointment of Mr. P. S. Ravishankar as Director whose period of office shall be liable to determination by retirement of Directors by rotation.

The Directors recommend the resolution as set out at Item No. 4 for your approval.

None of the Directors of the Company except Mr. P. S. Ravishankar is interested in this resolution.

Item No: 5

In terms of Section 260 of the Companies Act, 1956, Mr. S. Rajaraman was co-opted on the Board as Additional Director with effect from 1st May 2006.

Mr. S. Rajaraman is a Fellow member of the Institute of Company Secretaries of India and a law graduate having over 20 years of experience.

Due notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit has been received from a member proposing the appointment of Mr. S. Rajaraman as Director whose period of office shall be liable to determination by retirement of Directors by rotation.

The Directors recommend the resolution as set out at Item No. 5 for your approval.

None of the Directors of the Company except Mr. S. Rajaraman is interested in this resolution.

Item No: 6 - Change of Name of the Company

As a part of business restructuring, it is proposed to change the name of the Company from "HCL Office Automation Limited" to "Universal Office Automation Limited." The Board of Directors of your Company had approved the change in the name of the Company from "HCL Office Automation Limited" to "Universal Office Automation Limited" at their meeting held on 24th May, 2006. The Registrar of Companies has also given approval for availability of name vide their letter dated 30.05.2006. In terms of Section 21 of the Companies Act, 1956, the Change of name requires the approval of shareholders by way of Special Resolution and as such this Resolution is being proposed as a Special Resolution.

The Directors recommend the resolution as set out at Item No. 6 for your approval.

None of the Directors of the Company are interested in this resolution.

By Order of the Board
for HCL Office Automation Ltd.

New Delhi
12th June, 2006

Preeti Saxena
Company Secretary

Directors' Report

To the Members,

The Directors of your Company herewith present the Fourteenth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2006.

FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	2005-2006	2004-2005
Sales and other income	32.96	67.67
Profit/Loss before Interest, Depreciation and Tax	3.98	12.05
Finance Charges	0	0
Depreciation	11.33	12.30
Profit/(Loss) before Tax	(7.35)	(0.25)
Provision for Taxation	0.21	0
Net Profit/(Loss)	(7.56)	(0.25)
Balance of Profit/(Loss) carried forward to next year	(2449.44)	(2441.88)

PERFORMANCE

The other income of the Company was Rs. 32.96 Lacs as against Rs. 68 Lacs in the previous year. The loss for the year ended 31st March, 2006 was Rs. 7.56 Lacs as against loss of Rs. 0.25 Lacs in the previous year. No business could be transacted during the year by the Company.

FIXED DEPOSITS

As on 31st March 2006, 3 nos. of Fixed deposits aggregating to Rs. 1.16 Lacs were unclaimed.

CHANGE OF NAME OF THE COMPANY

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DIRECTORS

In accordance with the Article, Mr. P. S. Ravishankar and Mr. S. Rajaraman were co-opted as Additional Directors with effect from 10th September, 2005 & 1st May, 2006 respectively, who will hold office till the conclusion of the forthcoming Annual General Meeting. The Company has received notices under Section 257 of the Companies Act, 1956 from some members signifying their intentions to propose the appointment of Mr. P. S. Ravishankar and Mr. S. Rajaraman as Directors of the Company.

Mr. K. R. Radhakrishnan has resigned as Director on 30.04.06.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

- that in the preparation of the annual accounts, the applicable accounting standards has been followed alongwith proper explanation relating to material departures;
- that 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 the profit or loss of the Company for that period;
- that 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;
- that the directors had prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

The Auditors of the Company, M/s. S.D. Chopra & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Clause 3 referred to in the Auditors' Report are explained in Schedule 16 and, therefore, do not call for further comments.

PERSONNEL

Inter-personnel Relations in the Company during the period under review continued to be harmonious. The Board wishes to place on record their appreciation for the contribution made by all the employees to the operations of the Company during the year under review.

During the year, there were no employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ADDITIONAL INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

As there has been no business activities in the Company during the year under review, the additional information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is not provided.

CORPORATE GOVERNANCE

A separate report on "Corporate Governance" is annexed hereto as part of Annual Report.

ACKNOWLEDGEMENT

Your Directors wish to thank the Government authorities, financial institutions, bankers and shareholders for their co-operation and assistance extended to the Company.

On behalf of the Board of Directors

12th June, 2006
New Delhi

S. Murali
MANAGER

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is conscious of its responsibility towards good corporate governance. The Company also believes that it is necessary to be fair, transparent and equitable treatment to all stakeholders comprising Shareholders, creditors, financiers and the like to achieve the goals of the Company.

2. COMPOSITION CATEGORY AND DIRECTORSHIP IN OTHER COMPANIES

(i) Board of Directors

Name of the Director	Category	Designation
Mr. S. Murali	Non-Executive, Independent	Director
Mr. P.S. Ravishankar	Non-Executive, Independent	Director
Mr. S. Rajaraman*	Non-Executive, Independent	Director
Mr. K.R. Radhakrishnan**	Non-Executive, Independent	Director

(ii) Directors' Attendance Record:

During the financial year 2005-06, 4 meetings of the Board were held on 27th June 2005, 29th July, 2005, 29th October, 2005 and 31st January, 2006.

Details of Director' attendance and other particulars are given below:

Name of Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attended (Yes/No)
Mr. S. Murali	4	4	Yes
Mr. P.S. Ravishankar	4	4	Yes
Mr. K.R. Radhakrishnan**	4	4	Yes

(iii) Directorship in other companies and board committees:

S.N	Name of the Director	Directorship in other Public Limited companies	Membership in Board Committees
1.	Mr. S. Murali	2	NIL
2.	Mr. P.S.Ravishankar	1	NIL
3.	Mr. K.R. Radhakrishnan**	6	NIL
4.	Mr. S. Rajaraman*	1	NIL

*Appointed w.e.f 1.05.06

**Resigned on 30.04.06

Report on Corporate Governance (contd...)**3. AUDIT COMMITTEE**

The Company constituted the audit committee to review various areas of accounts and audit. The Committee, chaired by Mr. S. Murali, comprises of Mr. P.S.Ravishankar and Mr. K.R. Radhakrishnan as members.

With the change in directorships, the Audit Committee has been reconstituted on 24th May 2006 with Mr. S. Murali as Chairman and Mr. P.S.Ravishankar and Mr. S. Rajaraman as members.

The Committee met 4 times during the financial year 2005-2006 on the following dates 27th June, 2005, 29th July, 2005, 29th October, 2005 and 31st January, 2006. All the members were present in all the four meetings.

4. REMUNERATION COMMITTEE

As neither remuneration nor sitting fees is paid to the Directors, no remuneration committee has been set up.

5. INVESTORS' GRIEVANCE COMMITTEE

(i) The Company has constituted a 'Shareholders'/investors Grievance Committee' headed by Mr. K.R. Radhakrishnan, a Non Executive Director to specifically look into Redressal of Shareholders' and Investors' complaints. The Committee met four times during the year. The Company Secretary has been designated as the compliance officer of the Company in compliance with the Listing Agreement.

(ii) With the resignation of Mr. K.R. Radhakrishnan, Mr. S. Rajaraman will head the committee.

(iii) There were two complaints received during the year. There was no share transfer pending as on 31st March, 2006.

6. SHAREHOLDERS' MEETINGS

Details of last three AGMs held

<i>Year</i>	<i>Date</i>	<i>Venue</i>	<i>Time</i>
2002-03	8 th September, 2003	Air Force Auditorium, Subroto Park, New Delhi	3.00 P.M.
2003-04	4 th September, 2004	Air Force Auditorium, Subroto Park, New Delhi	10.00 A.M.
2004-05	10 th September, 2005	Air Force Auditorium, Subroto Park, New Delhi	3.00 P.M.

No special resolutions were put through Postal Ballot last year.

7. DISCLOSURES

Related Party Transactions:

There are no related party transactions of the Company of material nature, with Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

Non-Compliance by the Company, Penalties, Strictures:

The Company has complied with the requirements of the Stock Exchange/SEBI/any other Statutory Authority on all matters related to capital markets during the last three years. There are no penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authorities relating to the above.

Report on Corporate Governance (contd...)**8. MEANS OF COMMUNICATION**

- a. At present quarterly / half yearly reports are not being sent to each household of shareholders.
- b. The quarterly / half yearly/ annual accounts results are published in the English and Hindi Newspapers.
- | | |
|---|---|
| - Which newspaper normally published in | The Statesman (English)
Veer Arjun (Hindi) |
| - Any website where displayed | No |
| - Whether it also displays official news release | No |
| - Whether presentations made to institutional Investors or to analyst | No |
- c. The Management Discussion and Analysis forms a part of the Annual Report.

9. GENERAL SHAREHOLDERS INFORMATION

(i) Annual General Meeting:

<u>Day & Date</u>	<u>Time</u>	<u>Venue</u>
Saturday, July 29, 2006	3.30 p.m.	Air Force Auditorium Subroto Park, New Delhi

(ii) Financial Calendar (tentative) for the year 2006-07:

Financial Reporting for the quarter ending 30 th June 2006	29 th July, 2006.
Financial Reporting for the quarter ending 30 th September, 2006	28 th October, 2006
Financial Reporting for the quarter ending 31 st December, 2006	27 th January, 2007
Audited Results for the financial year ended 31 st March, 2007	26 th June, 2007

iii) Next dates of Book Closure 24th July, 2006 to 29th July, 2006
(Both days inclusive)

(iv) Dividend Payment Date Not Applicable

(v) Listing on Stock Exchanges

The Shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai. Listing fees for the period April 2006 to March 2007 has been paid to the Stock Exchange, Mumbai.

(vi) Stock Code

Trading Symbol on "Bombay Stock Exchange Limited" : 523519

Report on Corporate Governance (contd...)

(vii) Stock Market Data (Rs.):

MONTH	HIGH	LOW
APRIL, 2005	8.30	6.10
MAY, 2005	14.29	6.00
JUNE, 2005	13.55	9.25
JULY, 2005	14.10	9.30
AUGUST, 2005	18.69	15.00
SEPTEMBER, 2005	16.75	10.85
OCTOBER, 2005	7.84	7.33
NOVEMBER, 2005	10.36	7.80
DECEMBER, 2005	9.94	7.76
JANUARY, 2006	9.34	7.94
FEBRUARY, 2006	8.50	6.55
MARCH, 2006	7.10	5.51

(Source: Closing share prices at Bombay Stock Exchange Limited)

(viii) Registrar and Share Transfer Agents

As per the provisions of the Listing Agreement entered with the Stock Exchange, Mumbai the Company has appointed M/s. Skyline Financial Services Private Limited as a Common Registrar and Share Transfer Agents for the shares of the Company held in both physical as well as electronic modes. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agents at the address given below:

M/s. Skyline Financial Services Private Limited
123, Vinoba Puri, Lajpat Nagar II
New Delhi-110 024.
Tel: 011-26833777, 011-26847136
Fax: 011-26918352

(ix) Share Transfer System:

The shares received in physical mode by the Company's Registrar and Share Transfer Agents are transferred within a period of 25 days from the date of receipt.

(x) Distribution of Shareholding as on 31st March, 2006

Category	No. of Shares	% Holding
A. Promoters' holding		
1. Promoters		
- Indian Promoters	9,490,355	64.77
- Foreign Promoters	Nil	-
2. Persons acting in concert	Nil	-
Sub Total (A)	9,490,355	64.77
B. Non-Promoters' holding		
3. Institutional Investors		
a. Mutual Funds and UTI	9,678	0.07
b. Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions/ Non-government institutions)	62,918	0.43
c. FIIs	Nil	-
4. Others		
a. Private Bodies Corporate	3,244,162	22.14
b. Indian Public	1,829,605	12.49
c. NRI/OCBs	15,968	0.11
d. Any other (Please specify)	Nil	-
Sub Total (B)	5,089,735	34.74
Grand Total (A+B)	14,652,686	100.00