

HCL OFFICE AUTOMATION LTD.

**9TH
ANNUAL
REPORT
2000-2001**

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HCL

Board of Directors

Managing Director
J. V. Ramamurthy

Directors
S Murali
K. R. Radhakrishnan

Auditors	S. D. Chopra & Associates
Registered Office	806-808, 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

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HCL OFFICE AUTOMATION LTD.

REGD. OFFICE : 806-808, SIDDHARTH,
96, NEHRU PLACE, NEW DELHI 110 019

NOTICE is hereby given that the Ninth Annual General Meeting of the Company will be held on Friday, the 21st September, 2001 at the Airforce Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110 010 at 4.00 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, 2001, the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. K. R. Radhakrishnan who retires by rotation in accordance with Article 102 of the Articles of Association of the Company 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.

By Order of the Board
for HCL Office Automation Ltd.

New Delhi
28th June, 2001

K.R. Radhakrishnan
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 and the proxy need not be a member. A Blank proxy form is enclosed for use by members, if required. The proxy form duly 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.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 1st September, 2001 to Friday, the 21st September, 2001 (both days inclusive).
3. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Company or the Share Registrar and Transfer Agents at the addresses given below:

Physical Mode

HCL Office Automation Ltd,
E-4,5,6, Sector XI,
Noida - 201 301

Tel.: 914-520977
Fax: 914-551519

Electronic Mode

M/s. Alankit Assignments Ltd.
205 - 206, Anarkali Market,
Jhandewalan Extn.,
New Delhi - 110 055

Tel : 3610220-24, 3545773,
3545774
Fax : 011-7514186; 3552001

Notice (contd...)

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4. The Members are requested to notify any change in their addresses, mandates/bank details immediately to the Company 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.
5. Members/Proxy holders are requested to produce at the entrance of the auditorium the enclosed attendance slip duly completed and signed.
6. The Registration of Members for attending the meeting would start from 3.00 P.M. on the day of Meeting.

By Order of the Board
for HCL Office Automation Ltd.

New Delhi
28th June, 2001

K.R. Radhakrishnan
Director



Directors' Report

HCL

To the Members,

The Directors of your Company herewith present the Ninth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2001.

FINANCIAL HIGHLIGHTS

	2000-2001	(Rs. in lacs) 1999-2000
Sales and other income	65.96	433.37
Profit before Interest, Depreciation and Tax	(9.06)	181.16
Finance Charges	3.08	50.47
Depreciation	38.20	39.84
Profit/(Loss) before Tax	(50.34)	90.85
Provision for Taxation	-	16.49
Income tax provision related to earlier years written back	8.05	-
Net Profit/(Loss)	(42.29)	74.36
Balance of Profit/(Loss) carried forward to next year	(2301.29)	(2259.00)

PERFORMANCE

The turnover of the Company was Rs.0.66 crores as against Rs. 4.33 crores in the previous year. The loss for the year ended 31st March, 2001 was Rs.0.42 crores as against profit of Rs. 0.74 crores in the previous year. No business could be transacted during the year by the Company.

FIXED DEPOSITS

As on 31st March, 2001, 120 nos. of deposits aggregating to Rs. 14.76 lacs was unclaimed.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. K.R. Radhakrishnan, Director will retire by rotation at the forthcoming Annual General

Meeting and being eligible, offers himself for re-appointment.

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 had 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

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.

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 of 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.

Directors' Report (contd...)**HCL****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.

DEMATERIALISATION OF SECURITIES

The Company's shares are being traded compulsorily in Dematerialisation form with effect from 29th January, 2001. The Company has opted to participate as an issuer with the National Securities Depository Ltd., (NSDL) and Central Depository Services (India) Ltd., (CDSL) for induction of the Company's securities into their depository system and has appointed M/s. Alankit Assignments Ltd., New Delhi as the

Company's Registrar & Share Transfer Agent for the electronic mode of securities.

CORPORATE GOVERNANCE

The new clause 49 of the Listing Agreement with regard to Corporate Governance is applicable to your Company from the financial year 2001-2002.

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

New Delhi
28th June, 2001

J.V. Ramamurthy
Managing Director


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Auditors' Report

To

The Members of HCL Office Automation Limited

1. We report that we have audited the attached Balance Sheet of HCL Office Automation Limited as at 31st March, 2001 and the relative Profit and Loss Account for the year ended on that date both of which have been signed by us under reference to this report.
2. We draw attention to note 10 on schedule-20 regarding the basis of preparation of accounts and company's ability to meet in full its liabilities which is dependent on realisation of assets in full the value at which they are stated in the books and note 4(c) on schedule 20 regarding exclusion of fixed assets from Gross block and Depreciation reserve.
3. In our opinion, and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the Accounting Policies and Notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 and subject to the matters stated in paragraph 2 also give respectively a true and fair view of the state of the company's affairs as at 31st March, 2001 and its loss for the year ended on that date.
4. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for our audit. In our opinion proper books of account have been kept as required by law so far as appears from our examination of the books and the above mentioned accounts are in agreement therewith. In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Section 211(3c) of the Companies Act, 1956 to the extent applicable.
5. On the basis of information given to us, none of the directors is disqualified as on 31st March, 2001 from being appointed as a director under section 274(1)(g) of the Companies Act, 1956.
6. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 dated

7th September, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

- a) i) The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- ii) The company has a policy of physical verification of its fixed assets every third year. Pursuant to this policy, a physical verification was not due during the year.
- b) The fixed assets of the company have not been revalued during the year.
- c) The stocks of finished goods of the company at all its locations have been physically verified by the management at the year end.
- d) In our opinion, the procedures of physical verification of stocks, followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- e) The discrepancies between the physical stocks and the book stocks which have been properly dealt with were not material.
- f) In our opinion, the valuation of stocks of finished goods has been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- g) The company has not taken/ granted any loans during the year from/to parties listed in the register maintained under Section 301 of the Companies Act, 1956. As far as we have been able to ascertain there are no companies under the same management as defined under subsection (1B) of Section 370 of the Companies Act, 1956.
- h) The parties to whom loans or advances in

- the nature of loans have been given by the company are generally repaying the principal amounts as stipulated and are also regular in payment of interest where stipulated.
- i) In our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for purchase of stores & spares, equipment and similar assets and for the sale of goods.
 - j) In our opinion purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year Rs 50,000 or more in value in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials, or services or the prices at which transactions for similar goods or services have been made with other parties.
 - k) The company has a system of determining unserviceable or damaged stores and raw materials or finished goods on the basis of technical evaluation and on such basis, in our opinion, adequate amounts have been written off such stocks in the accounts.
 - l) The company has not received any deposits during the year and the balance outstanding is only on account of unclaimed deposits.
 - m) Proper records have been maintained in respect of sales and disposals of scraps.
 - n) In our opinion, the company's present internal audit system is commensurate with its size and nature of business.
 - o) The Central Government has not prescribed the maintenance of cost records by the company under Section 209(1)(d) of the Companies Act, 1956 for any of its products.
 - p) The company has regularly deposited, during the year, Provident Fund dues with the appropriate authorities.
 - q) At the last day of the financial year there was no amount outstanding in respect of undisputed income tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.
 - r) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices we have not come across any personal expenses which have been charged to Profit and Loss Account, other than those payable under contractual obligations or in accordance with generally accepted business practices, nor have we been informed of any such case by the management.
 - s) The company is not a sick industrial company within the meaning of clause(o) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 as referred to in note 11 on Schedule-20.
 - t) In respect of trading activities, damaged goods have been determined at the time of physical verification pursuant to the company's laid down procedures and consequential adjustments have been made in the accounts.
 - u) Other clauses of the Order are not applicable to the company.

S. D. CHOPRA

Proprietor

For and on behalf of

New Delhi SD Chopra & Associates
28th June, 2001 Chartered Accountants