

HCL OFFICE AUTOMATION LTD.

**TENTH
ANNUAL
REPORT
2001-2002**

Report  Junction.com

HCL

**Board of Directors**

Managing Director
J. V. Ramamurthy

Directors
S Murali
K. R. Radhakrishnan

Company Secretary

M. Muthukumarasamy

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



HCL OFFICE AUTOMATION LTD.

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

NOTICE is hereby given that the Tenth Annual General Meeting of the Company will be held on Wednesday, the 18th September, 2002 at 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, 2002, 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. J.V. Ramamurthy 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.

Noida
30th July, 2002

M.Muthukumarasamy
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.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 2nd day of September, 2002 to Wednesday, the 18th day of September, 2002 (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	Electronic Mode
The Company Secretary HCL Office Automation Ltd., E 4, 5, 6, Sector XI NOIDA - 201301 Tel : 0120-4520977 Fax: 0120-4551519	M/s. Alankit Assignments Ltd., 205 - 206, Anarkali Market, Jhandewalan Extn., New Delhi-110055 Tel : 011-3610220-24, 3545773-74, Fax : 011-7514186; 3552001

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 admission slip duly completed and signed.
6. Shareholders who have not encashed their dividend warrants relating to financial year 1994-95 are requested to make their claim to the company immediately, as all unclaimed dividends for 1994-95 will be transferred to the Investor Education and Protection Fund of Central Government by 7th February 2003. Please note that no claims shall lie against the Fund or the Company in respect of individual amounts and no payment shall be made in respect of any such claims.
7. Information regarding Re-appointment of Director:-

At the ensuing Annual General Meeting, Mr. J.V. Ramamurthy, Director retires by rotation and being eligible, offers himself for re-appointment. Mr. J.V. Ramamurthy is an Engineer from Madras University and a post-graduate in Applied Electronics from Madras Institute of Technology, Madras. He has vast experience of over 23 years and long outstanding association with electronic industry.

By Order of the Board
for HCL Office Automation Ltd.

Noida
30th July, 2002

M. Muthukumarasamy
Company Secretary

Directors' Report



To the Members,

The Directors of your Company herewith present the Tenth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2002.

FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	2001-2002	2000-2001
Sales and other income	123.81	65.96
Profit before Interest, Depreciation and Tax	(76.10)	(9.06)
Finance Charges	0	3.08
Depreciation	16.55	38.20
Profit/(Loss) before Tax	(92.64)	(50.34)
Provision for Taxation	24.60	0
Income tax provision related to earlier year written back	0	8.05
Net Profit/(Loss)	(117.24)	(42.29)
Balance of Profit/(Loss) carried forward to next year	(2418.53)	(2301.29)

PERFORMANCE

The sales and other income of the Company was Rs. 1.24 crore as against Rs. 0.66 crore in the previous year. The loss for the year ended 31st March, 2002 was Rs. 1.17 crore as against loss of Rs. 0.42 crore in the previous year. No significant business could be transacted during the year by the Company. In view of losses no dividend is recommended.

FIXED DEPOSITS

As on 31st March, 2002, 117 no. of deposits aggregating to Rs. 14.44 lacs was unclaimed.

AUDIT COMMITTEE

During the year under review, pursuant to the provisions of Section 292A of the Companies Act, 1956, an Audit Committee consisting of three directors has been duly constituted.

DIRECTORS

In accordance with Article 102 of the Articles of

Association of the Company, Mr. J.V. Ramamurthy, Managing 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 confirm:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- that appropriate accounting policies have been selected and applied consistently and that the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2002 and of the loss of the Company for the said period;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared 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. Regarding the comments of Auditors referred to in clause 3 of their report, the company's views have been explained in notes 3, 5 & 9 of Schedule 20.

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 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 was 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. No foreign exchange earnings and outgo were there during the year under review.

CORPORATE GOVERNANCE

A separate report on "Corporate Governance" is annexed hereto which forms part of the 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

Noida
30th July, 2002

J.V. Ramamurthy
Managing Director

Report on Corporate Governance



1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that a fair, transparent and equitable treatment to all stakeholders including shareholders, would strengthen the efforts to achieve the goals of the Company. Accordingly the

complied.

2. COMPOSITION, CATEGORY AND DIRECTORSHIP IN OTHER COMPANIES

(i) Board of Directors

Name of the Director	Category	Brief background
Mr. J.V. Ramamurthy	Executive	Engineer from Madras University and a post-graduate of Madras Institute of Technology with 23 years experience. Associated with HCL since 1988 after serving in the field of Aviation including INAS Integration Organisation, Ministry of Defence, Bangalore.
Mr. S. Murali	Non-Executive, Independent	A Chartered Accountant with vast experience in the area of finance and accounts
Mr. K.R. Radhakrishnan	Non-Executive, Independent	Commerce Graduate from Calcutta University and a Fellow Member of Institute of Company Secretaries of India with over 15 years of experience in Legal and Corporate Laws.

(ii) Directors' Attendance Record:

During the financial year 2001-02, 5 meetings of the Board were held on 28th June, 2001, 28th July, 2001, 21st September 2001, 30th October, 2001 and 30th January, 2002.

Details of Directors' 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. J.V. Ramamurthy	5	5	Yes
Mr. S. Murali	5	5	Yes
Mr. K.R. Radhakrishnan	5	5	Yes

Report on Corporate Governance (contd...)



(iii) Directorship in other companies and board committees:

S.N	Name of the Director	Directorship in other companies	Membership in Board Committees
1.	Mr. J.V. Ramamurthy	NIL	NIL
2.	Mr. S. Murali	International Data Management Ltd Network Ltd	Accounts Committee - Network Ltd.
3.	Mr. K.R. Radhakrishnan	HCL Cell Star Limited HCL Employees Investment Co Ltd. Hindustan Management & Technical Services Pvt. Ltd. Microcomp Limited International Integrations Pvt Ltd. First Stonex Limited International Data Management Ltd South Asian Computers Ltd. New Age Industries Pvt. Ltd.	

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. J.V. Ramamurthy and Mr. K.R. Radhakrishnan. The Committee met twice during the financial year 2001-2002 on 30/10/2001 and 30/01/2002. All the members were present in all the two meetings.

4. REMUNERATION COMMITTEE

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

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'/Investors' complaints. Mr. J.V. Ramamurthy and Mr S. Murali are the other members of this committee. The Committee met thrice during the year

(ii) No. of shareholders' complaints received during the year : 5
 No. of complaints not solved to the satisfaction of the shareholders : NIL
 No. of pending share transfers as on 31st March, 2002 : NIL

6. GENERAL BODY MEETINGS

Details of last three Annual General Meetings held

Year	Date	Venue	Time
2000-01	21 st September, 2001	Air Force Auditorium, Subroto Park, New Delhi	4.00 P.M.
1999-00	25 th September, 2000	Air Force Auditorium, Subroto Park, New Delhi	4.00 P.M.
1998-99	26 th July, 1999	Air Force Auditorium, Subroto Park, New Delhi	10.00 A.M.

No Special Resolutions were put through postal ballot last year. At present there are no resolutions which are required to be passed by postal ballot.

Report on Corporate Governance (contd...)

HCL

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 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.

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 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>
Wednesday, 18th September, 2002	4.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi-110010

(ii) Financial Calendar (tentative) for the year 2002-03:

Financial Reporting for the quarter ending 30 th June, 2002	30 th July, 2002
Financial Reporting for the quarter ending 30 th September, 2002	28 th October, 2002
Financial Reporting for the quarter ending 31 st December, 2002	29 th January, 2003
Audited Results for the financial year ended 31 st March, 2003	27 th June, 2003

(iii) Next dates of Book Closure 2nd September, 2002 to 18th September, 2002 (Both days inclusive)

(iv) Dividend Payment Date Not Applicable

(v) Listing on Stock Exchanges

The Shares of the Company are listed on the Stock Exchanges at Delhi and Mumbai. Listing fees for the period April 2001 to March 2002 has been paid to all the Stock Exchanges.

(vi) Stock Code

Trading Symbol on 'The Delhi Stock Exchange Association Limited' :	08002
Trading Symbol on 'The Stock Exchange, Mumbai' :	523519

Report on Corporate Governance (contd...)



(vii) Stock Market Data (Rs.) :

Month	High	Low
April, 2001	5.50	5.50
May, 2001	5.50	3.05
June, 2001	4.90	3.00
July, 2001	3.00	2.00
August, 2001	3.15	2.00
September, 2001	3.15	2.35
October, 2001	2.95	2.00
November, 2001	3.95	2.80
December, 2001	4.35	2.25
January, 2002	2.70	1.80
February, 2002	2.30	1.25
March, 2002	1.90	1.10

(Source: Closing share prices at Mumbai Stock Exchange)

(viii) Registrar and Transfer Agents

All correspondence concerning 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:

For Shares held in Physical Mode

HCL Office Automation Ltd
E-4,5,6, Sector XI,
Noida 201 301
Tele: 0120-4520977
Fax: 0120-4551519

For shares held in Electronic Mode

Alankit Assignments Ltd
205-206, Anarkali Market
Jhandewalan Extn.,
New Delhi 110 055
Tele: 3610220-224, 3545773-74
Fax: 3552001, 7514186

(ix) Share Transfer System:

The shares received in physical mode by the Company are transferred within a period of 25 days from the date of receipt.

(x) Distribution of Shareholding as on 31st March, 2002

Category	No. of Shares	% holding
A. Promoters' holding		
1. Promoters		
- Indian Promoters	9723948	66.36
- Foreign Promoters	Nil	-
2. Persons acting in concert	Nil	-
Sub Total (A)	9723948	66.36
B. Non-Promoters' holding		
3. Institutional Investors		
a. Mutual Funds and UTI	17614	0.12
b. Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions/ Non-government institutions)	147914	1.01
c. FIIs	Nil	-
Sub Total (B)	165528	1.13
4. Others		
a. Private Bodies Corporate	3018484	20.60
b. Indian Public	1742284	11.89
c. NRI/OCBs	2442	0.02
d. Any other (Please specify)	-	-
Sub Total (C)	4763210	32.51
Grand Total (A+B+C)	14652686	100.00