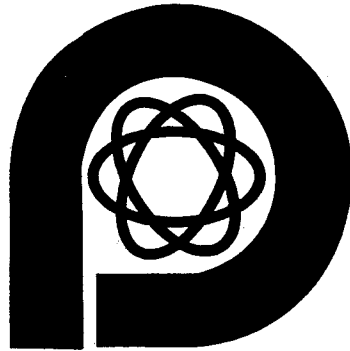


FOURTEENTH ANNUAL REPORT

2005-2006



PROCAL ELECTRONICS INDIA LIMITED

FOURTEENTH ANNUAL REPORT 2005-2006

BOARD OF DIRECTORS

SHRI MAHENDRA KUMAR BOTHRA

CHAIRMAN
& MANAGING DIRECTOR

SHRI DHARMENDRA SHARMA

DIRECTOR

SHRI SHREYANSH DASSANI

DIRECTOR

SHRI SURESH KUMAR IYER

DIRECTOR

BANKERS

CANARA BANK

AUDITORS

JAIN & KOTHARI
CHARTERED ACCOUNTANTS

SHARE TRANSFER AGENTS

SATELLITE CORPORATE SERVICES PVT. LTD.
B-302, SONY APPARTMENT, OPP. ST. JUDE HIGH SCHOOL,
OFF ANDHERI ROAD, JARIMARI, SAKINAKA,
MUMBAI 400 072.

REGISTERED OFFICE

1, TYRE TERRACE,
205/207, LAMINGTON ROAD,
MUMBAI 400 007.

WORKS

- 1) 44/45, PRAGATI INDUSTRIAL ESTATE,
66 KVA SUBSTATION ROAD,
AMLI, SILVASSA.
- 2) SHED No. I/200/1/3/6,
ROAD NO.2, GIDC, SACHIN,
SURAT, GUJARAT.
- 3) 23/25/27 & 28, AMLI INDUSTRIAL ESTATE,
66 KVA SUBSTATION ROAD,
AMLI, SILVASSA.



PROCAL ELECTRONICS INDIA LIMITED

Regd. Office : 1, Tyre Terrace, 205/207, Lamington Road, Mumbai 400 007.

NOTICE

Notice is hereby given that the **Fourteenth Annual General Meeting** of the members of Procal Electronics India Limited will be held at Navyojana Sadan, Near Diana Talkies, Tardeo, Mumbai 400 034 on 30th September, 2006, Saturday, at 10.30 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2006 and the Profit & Loss Account for the year ended on that date and Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri. Dharmendra Sharma who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. Shreyansh Dassani who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors until the conclusion of the next Annual General Meeting and to fix their remuneration.

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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 28th September 2006 to Saturday, 30th September 2006, both days inclusive.
3. Members are requested to:
 - a. intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date.
 - b. quote their Registered Folio No. and/or DP Identify and Client Identify number in their correspondence.
 - c. bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
4. All documents referred in the Notice will be available for inspection by the members at the Registered Office of the Company on all working days upto the date of this Annual General Meeting.

Registered Office :
1, Tyre Terrace,
205/207, Lamington Road,
Mumbai 400 007.

By order of the Board,
MAHENDRA KUMAR BOTHRA
Chairman & Managing Director

Date : September 06, 2006



PROCAL ELECTRONICS INDIA LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors in present herewith the Fourteenth Annual Report together with the Statement of Accounts for the year ended March 31, 2006.

FINANCIAL RESULTS

	2005-06 (Rs. in lacs)	2004-05 (Rs. in lacs)
Sales and Other Income	5.50	3.29
Profit/(Loss) before Depreciation	(130.83)	(98.42)
Less : Depreciation	24.82	33.12
Profit/(Loss) before Tax	(155.66)	(131.54)
Add : Deferred revenue expenditure Written back	—	43.50
	(155.66)	(88.04)
Less Exceptional Item	—	—
Provision for Tax on Fringe Benefits	(0.04)	—
Prior period adjustment	—	(00.75)
	(155.70)	(88.79)
Profit/(Loss) brought forward from previous year	(291.40)	(202.61)
Balance carried to Balance Sheet	(447.10)	(291.40)

MANAGEMENT DISCUSSION AND ANALYSIS

a) Financial Performance and Operations Review:

Sales and other income for the year amounted to Rs. 5.50 Lacs compared to Rs. 3.29 Lacs for the previous year. During the year under review, your Company has made a loss before tax of Rs. 155.66 Lacs against the loss of Rs. 131.54 Lacs in the previous year.

b) Industry Structure and Threats:

During the year under review, severe competition from low priced imports and reduction in import duties for finished products coupled with financial constraints has resulted on the overall performance of the Company.

c) Outlook:

Due to unviable market condition, cheap imports due to zero duty on electronic calculators, manufacturing calculators has not been economically viable. However, given the present market scenario, management is exploring the possibility of initiating some trading & distribution business of electronic products. Manufacturing may be looked at once volumes increase in trading operation and favourable change of policies to support manufacturing.

d) Human Resources:

Your Company continued to have cordial and harmonious relations with its employees at all levels.

e) Internal Control Systems:

The Company has an adequate internal control system including suitable monitoring procedures commensurate



with its size and nature of the business.

DIRECTORS

Mr. Dharmendra Sharma retires by rotation at the ensuing Annual General Meeting and, being eligible, he has offered himself for re-appointment.

Mr. Shreyansh Dassani retires by rotation at the ensuing Annual General Meeting and, being eligible, he has offered himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm that:

- (i) in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) the Directors had selected 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 Profit or Loss of the Company for that period.
- (iii) 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.
- (iv) the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

As per the requirement of listing agreement with the Stock Exchanges, your Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance together with a certificate of its compliance from the Statutory Auditors, forms part of this report.

FIXED DEPOSITS

The Company has no fixed deposits.

AUDITORS AND AUDIT REPORT

M/s. Jain & Kothari, Chartered Accountants, Mumbai retire as auditors and, being eligible, offer themselves for re-appointment.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and, therefore, do not call for any further comments.

You are requested to appoint Auditors and to fix their remuneration.

AUDIT REPORT

Note to point No. 6(f) of Auditors Report

- (i) As the management is hopeful of reviving the business by starting the trading & agency business the accounts are prepared on going concern basis, despite of closure of units and absence of substantial business activities.



- (ii) As the Company is negotiating with the bank and the liability, if any, shall be provided in the year of settlement. Therefore no provisions has been made in the accounts for the interest liability on various Bank Loans as the loan accounts have been classified as NPA by the Company's bankers Canara Bank and accordingly stopped charging interest.
- (iii) The Management has so far not taken any steps for assessment of valuation of the assets for the requirement of AS 28 impairment of assets but in near future the management will do the necessary requirement for the same.

CONTINGENCY

The Commissioner of Central Excise & Customs has raised a demand amounting to Rs. 1,65,20,069/- towards various duties, fine & penalty, due to the non-fulfilment of export obligations & the closure of unit II of Silvassa. The company has already filed an appeal against the demand with an appropriate authority.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and, therefore, do not call for any further comments.

EMPLOYEES

The Company does not have any employee whose particulars is required to be given pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

During the year, the Company had strict control on wasteful electrical consumption. Light and power were switched off whenever not necessary.

The Company does not need any technology for its existing business.

There was no Foreign Exchange Earnings/Outgo during the financial year.

LISTING

The Equity Shares of the Company are listed on the Mumbai Stock Exchange. The Company has paid the annual listing fees to the Stock Exchange for the year 2005-2006.

ACKNOWLEDGMENTS

Your Directors convey their gratitude to Canara Bank for their continued assistance and support. The Directors also wish to place on record their admiration and appreciation of the hard work put in by all the staffs and workers of the Company.

FOR AND ON BEHALF OF THE BOARD

**MAHENDRA KUMAR BOTHRA
MANAGING DIRECTOR**

Date: September 06, 2006

**ANNEXURE****REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, given below is a report on the Corporate Governance in the Company:

A. MANDATORY REQUIREMENTS**1. Company's philosophy of Corporate Governance is to ensure:**

- i) that the Board and top management of the Company are fully appraised of the affairs of the Company that is aimed at assisting them in the efficient conduct of the Company's business so as to meet Company's obligation to the shareholders.
- ii) that the Board exercises its fiduciary responsibilities towards shareholders and creditors so as to ensure high accountability.
- iii) that all disclosure of information to present and potential investors are maximized.
- iv) that the decision making process in the organization is transparent and are backed by documentary evidences.

2. Board of Directors

The present strength of the Board of Directors of the Company is 4 Directors of which 1 is promoter Managing Director and other 3 are non-executive independent directors with independent judgments in the deliberation and decisions of the Board.

● Attendance of each Director at the Board Meetings and last AGM

In total 7 Board Meetings were held during the Financial Year 2005-06. The last AGM of the Company was held on 30th December 2005.

Name of the Director	Category	No. of board mtgs attended	Attendance at last AGM
Mr. Suresh Kumar Iyer	Non Executive Director	7	Yes
Mr. Shreyansh Dassani	Non Executive Director	6	Yes
Mr. Mahendra Kumar Bothra	Managing Director	7	Yes
Mr. Dharmendra Sharma	Non-Executive Director	7	Yes



● **Number of other Companies or Committees the Director is a Director/Member**

Name of the Director	No. of other public limited No. of Committees in which	Companies in which Director Member (other than Procal)
Mr. Suresh Kumar Iyer	Nil	Nil
Mr. Shreyansh Dassani	Nil	Nil
Mr. Mahendra Kumar Bothra	Nil	Nil
Mr. Dharmendra Sharma	Nil	Nil

● **Number of Board Meetings and their respective dates**

7 Board Meetings were held during the Financial Year 2005-06. The dates on which the said meetings were held are as follows:

30th April, 2005	30th July, 2005	2nd September, 2005	31st October, 2005
15th November, 2005	2nd December, 2005	31st January, 2006	

● **Notes on Directors seeking appointment/re-appointment:**

Mr. Dharmendra Sharma

Mr. Dharmendra Sharma is a Graduate in Science and having good technical knowledge. He has over 7 years of experience in the electronics industry.

Mr. Shreyansh Dassani

Mr. Shreyansh Dassani is a Graduate in Commerce. He has over 15 years of experience in the electronics industry.

3. Audit Committee

Terms of Reference & Composition, Name of Members and Chairman:

The Audit Committee of the Company comprises of Mr. Suresh Kumar Iyer, Chairman of the Committee & Mr. Shreyansh Dassani & Mr. Dharmendra Sharma, all being independent Directors with independent judgments in the deliberation and decisions of the Board as well as Audit Committee. The Managing Director along with the Statutory Auditors is invitee to the meeting. The terms of reference to this Committee covers all the matters specified under Section 292 A of the Companies Act, 1956 and also all the matters listed under the Listing Agreement with Stock Exchanges.

Audit Committee meetings and the attendance during the financial year 2005-2006.

There were five meetings of the Audit Committee during the Financial Year 2005-06.



Name of the Director/Member	No. of Audit Committee mtgs attended
Mr. Suresh Kumar Iyer	5
Mr. Shreyansh Dassani	5
Mr. Dharmendra Sharma	5

4. Remuneration to Directors

The Company has formed a remuneration committee comprising of Mr. Shreyansh Dassani and Mr. Dharmendra Sharma, independent non-executive directors to function in the matters specified in the clause 49 of the listing agreement.

The company is going in losses since the year 2001, hence the Managing Director and other directors have agreed not to take any remuneration/sitting fees from the company till it records losses. Thus, there were no meetings of the said committee during the year 2005-2006.

5. Shareholders / Investors Grievance Committee

Details of the Members, Compliance Officer, No. of complaints received and pending, No. of transfers pending as on close of the financial year:

This Committee functions under the Chairmanship of Mr. Dharmendra Sharma, Non-Executive Independent Director. Mr. Mahendra Kumar Bothra, Managing Director and Mr. Suresh Kumar Iyer, Non-Executive Independent Director are the other Members of the Committee. Mr. Mahendra Kumar Bothra is the Compliance Officer of the Company.

During the year, the company received 33 complaints/communications from the shareholders, mostly regarding Demat query and Change of Address, all of which are attended to. The Company had no request pending for transfer of its equity shares at the close of the financial year.

The Registrars and Share Transfer Agents of the company is M/s. Satellite Corporate Services Pvt. Ltd., Mumbai.

6. General Body Meetings

Details of the location where the last 3 AGMs were held and the details of the resolution passed or proposed to be passed by Postal Ballot.

AGM for the financial year ended	Date & time of AGM	Address
31st March, 2005	Monday, 30th December, 2005 at 10.30 a.m.	Navyojana Sadan, Near Diana Talkies, Tardeo, Mumbai 400 034.
31st March, 2004	Friday, 31st December, 2004 at 10.30 a.m.	-same as above -
31st March, 2003	Tuesday, 30th September, 2003 at 10.30 a.m.	-same as above -

All the resolutions, set out in the respective notices calling the AGM were passed by the shareholders. No postal ballots were used for voting at these meetings. At the forthcoming AGM, there is no agenda that needs approval by postal ballot.



7. Disclosures

a. Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

None

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

There are no transactions with the related parties in the Financial Year 2005-06.

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI, ROC, Stock Exchanges or any other statutory authorities on any matter related to capital market during the last 3 financial years.

None.

8. Means of Communication

Half-yearly unaudited financial result sent to each household of shareholders

No. The results of the Company are published in the Newspapers.

Quarterly Results

The results of the Company are published in the Newspapers.

Website, where displayed

The Company does not have its website

Whether website also displays official news releases.

N.A.

Newspapers in which results are generally published

The Free Press Journal and Dainik Nav Shakti

Whether MD&A is part of Annual Report or not

MD&A forms a part of this Annual Report.

9. Shareholders Information

AGM : Date, Time and Venue

30th September, 2006 at 10.30 a.m. at Navyojana Sadan, Near Diana Talkies, Tardeo, Mumbai 34.

Financial calendar

April March

First quarter results

Last week of July

Second quarter results

Last week of October

Third quarter results

Last week of January

Annual results

Last week of August



Date of Book closure	28th September, 2006 to 30th September, 2006 (Both days incl.)
Dividend Payment dates(s)	The Company has not declared any dividend for the financial year 2005-06
Listing on Stock Exchanges	Mumbai
BSE Company Code	3840
Stock code - Physical	526009
ISIN Number for NSDL & CDSL	INE 700B01015
Share Transfer and other communications may be addressed to	Satellite Corporate Services Pvt. Ltd. B-302, Sony Apartment, Opp.St. Jude High School, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai - 400 072.
Investors complaint may be addressed to	Mr. Mahendra Kumar Bothra Managing Director M/s. Procal Electronics India Limited 1, Tyre Terrace, 205/207, Lamington Road, Mumbai-400007.
Market price data : High, Low during each month in last financial year	Please see Annexure 'A'
Registrars and Share Transfer Agents	Satellite Corporate Services Pvt. Ltd. B-302 Sony Apartment, Opp.St. Jude High School, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai 400 072. All share transfers, subject to correctness and completion of all documents, would normally be registered and returned within 2 weeks from the date of receipt.
Distribution of Shareholding/Shareholding Pattern as on 31.03.2006	Please see Annexure 'B'
Dematerialization of Shares	69.33 % of the paid-up share capital has been dematerialized as on 31st March, 2006
Outstanding GDRs/ADRs/warrants/ convertible instruments etc	Not applicable since none of the said instruments are ever issued.
Plant Location	Given in the 1st page of this Annual Report.
Address for correspondence	To Registered Office given in the 1st page of this Annual Report.



Annuxure A

High/Low of Market price of the Company's shares traded on The Stock Exchange, Mumbai during the financial year 2002-03 is furnished below:

Year	Month	Highest (Rs.)	Lowest (Rs.)	
2005	April	2.99	2.11	
	May	3.07	2.06	
	June	5.23	2.50	
	July	4.67	2.50	
	August	7.73	3.25	
	September	6.60	3.47	
	October	3.62	2.12	
	November	2.61	2.18	
	December	3.00	2.30	
	2006	January	2.70	2.02
		February	2.18	1.60
		March	1.73	1.16

Annexure B

The distribution of shareholding as on 31st March 2006 is as follows:

Shares holding of nominal value of (Amount in Rs.)	No. of shareholders	%	Share Amount (In Rs.)	%
Upto 2,500	3138	68.07	42,92,600	12.26
2,501 to 5,000	800	17.35	32,94,680	9.41
5,001 to 10,000	369	8.00	32,69,140	9.34
10,001 to 20,000	128	2.78	19,58,420	5.59
20,001 to 30,000	56	1.21	14,55,830	4.16
30,001 to 40,000	32	0.69	11,48,180	3.28
40,001 to 50,000	28	0.61	13,49,120	3.86
50,001 to 1,00,000	26	0.56	19,49,240	5.57
1,00,001 & above	33	0.72	1,62,82,790	46.52
Grand Total	4610	100	3,50,00,000	100
No. of shareholders in Physical Mode	3059		1,07,36,100	30.67
No. of shareholders in Electronic Mode	1551		2,42,63,900	69.33

Shareholding pattern as on 31st March 2006 is as follows:

Category	No. of Shareholders	No. of Shares	% holding
Indian Promoters	10	1128564	32.24
Banks and Insurance Companies	---	---	---
UTI and Mutual Funds	---	---	---
FII's and NRI's	43	125400	3.58
Domestic Companies	69	172549	4.93
Resident Individuals	4498	2073487	59.24
Total	4610	3500000	100.00



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **PROCAL ELECTRONICS INDIA LIMITED.**

We have examined the compliance of conditions of corporate governance by **PROCAL ELECTRONICS INDIA LIMITED** for the year ended 31st March 2006, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2006 no investor grievances are pending exceeding one month against the Company as on 31st March, 2006 as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR JAIN & KOTHARI
Chartered Accountants

(B. L. JAIN)
PARTNER
M.No.15568

Place: Mumbai
Date: 06/09/2006



AUDITOR'S REPORT

To,
The Members of Procal Electronics India Limited.

1. We have audited the attached Balance Sheet of PROCAL ELECTRONICS INDIA LIMITED as at 31st March, 2006, the Profit & Loss Account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statement based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material mis-statements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclosed in the Annexure a statements on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - c. The Balance Sheet and Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except that the company has not complied with the requirement of AS 28 "impairment of the assets", to the extent applicable to this company.
 - e. On the basis of written representation received from the Directors as on 31st March, 2006, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2006 from being appointed as Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to
 - (i) We are of the opinion that the company cannot be veiwed as a going concern and the accounts have not been prepared on a realisable basis and the difference between historic cost and realisable amount



is not quantified, refer Note No.3 with regard to preparation of accounts on going concern basis, despite of closure of units and absence of substantial business activities for last 3 years.

- (ii) Note No. 4 with regard to non provision of interest on loans taken from Banks app. of Rs. 75.40 lacs by which the loss for the year is understated.
- (iii) Non compliance to AS 28 and the effect not being determined in the absence of any steps being taken by the company in assessing value of assets and the consequent impairment of such assets.

and the other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India.

- i) in case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2006 and
- ii) in case of the Profit and Loss Account of the LOSS of the Company for the year ended on that date.
- iii) in case of the Cash Flow Statement of the cash flows for the year ended on that date.

for JAIN & KOTHARI
Chartered Accountants

Place : Mumbai
Dated :06/09/2006

(B. L. JAIN)
Partner.
M.No. 15568



ANNEXURE TO THE AUDITORS REPORT:

Referred to in paragraph 3 of our report of even date .

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the explanations given to us, the Fixed Assets of the company have been physically verified by the management and no discrepancies were noticed on such verification.

(c) The Company has not disposed off any substantial part of fixed assets during the year.
- ii. (a) According to the explanations given to us, the inventory has been physically verified during the year by the management. In our opinion, as there are no activities, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are dequate in relation to the size of the company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material, however the management has reviewed the valuation of stock and the difference in valuation is properly dealt in accounts.
- iii. (a) The Company has not granted any loans secured or unsecured to the parties covered in the register maintain under section 301 of the companies Act, 1956.

(b) The Company has taken interest free loan from one party covered in the register maintained under section 301 of the companies Act, 1956, the maximum amount involved during the year was Rs. 21.52 Lacs.

(c) In our opinion the other terms and conditions on which loan has been taken from the party listed in the register maintained under section 301 of the Companies Act 1956 are not prima facie, prejudicial to the interest of the company

(d) The loan taken is not repaid till date, as there is no specific re payment schedule, hence we are unable to comment upon overdueness of loan.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of it's business with regard to purchase of inventory, fixed assets and with regard to the sale of goods.

During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.
- v) (a) According to the information and explanations given to us, particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintain under that section, and



(b) We have been informed that the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, however there were no fresh transaction during the year.

vi) The company has not accepted deposits from the public within the meaning under section 58 & 58AA of the Companies Act 1956, however during the year it has obtained a unsecured loan from a party listed in the register maintained u/s 301 of the Companies Act 1956.

vii) We were informed that the Central Government has not prescribed maintenance of cost records for the company under section 209(1)(d) of the Companies Act, 1956.

viii)(A) Undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, Service Tax, custom duty, excise duty, cess have not generally been deposited in time, however the same is not serious.

The following statutory dues were outstanding as at 31st March, 2006 for a period of more than six months from the date they became payable.

S/N	Nature of Dues	Amount (Rs.)	Period	Due Date	Date of Payment
a)	Income Tax A.Y.2000-01	2,36,160/-	Y.E. 31.3.2000	19.09.2002	Not paid so far
b)	Professional Tax(Mum)	6,160/- 4,920/-	Upto Mar.04 Upto Mar 05	Upto 30.04.04 Upto 30.04.05	---do--- ---do---
c)	Gujrat Sales Tax	6,806/-	Y.E.31.3.03	26.04.2003	---do---
d)	Tds Interest Professional	15,106/- 7,798/-	Q.E. 30.6.05 M.E 30.6.05	07.7.2005 07.7.2005	---do--- ---do---

(B) According to the information and explanations given to us there are no dues of Sales Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty which have not been deposited on account of any dispute except as stated below.

S/N	Nature of Dues	Amount (Rs.)	Period to which amount relate	Forum where disputes is pending.
1.	Duties, fine & Penalty of Central Excise	1,65,20,069/-	Upto March-03	Central Excise Tribunal (CEGAT) Mumbai

ix) The accumulated losses of the company at the end of the financial year are more than 50% of it's net worth. The company has incurred cash losses during the year covered by this report and the financial year immediately preceding the year covered by this report.



x) The Company has defaulted in repayment of dues to the following Bank/ Financial institutions the details of which are given below.

S/N	Lender	Amount (Rs. In lacs)
a)	Canara Bank	204.56*
b)	GSFC	450.28

(* Excluding interest payable as not acknowledged by bank due to account classified as NPA)

- xi) The Company has not granted Loans and Advances on the basis of security by way of pledge of shares, debenture and other securities.
- xii) In our opinion, the company is not a chit fund or nidhi/mutual benefit/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
- xiii) In our opinion, the company is not dealing with or trading in shares, securities debentures and other investments. Accordingly the provisions of the clause 4(xiv) of the Companies (Auditors Report) order 2003 are not applicable to the company.
- xiv) According to the information and explanations provided to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions.
- xv) As per the records of the Company and according to the information and explanations provided to us, the Company has not taken any term loans during the year except in earlier years which were used for the purpose for which it was obtained.
- xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the company we report that the funds raised in earlier years against working capital is being wiped out against the accumulated losses.
- xvii) According to the explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered under section 301 of the Act.
- xviii) According to the information and explanations given to us, the company has not issued any debentures secured or unsecured.
- xix) The Company has not raised any money through public issue during the year.
- xx) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**for JAIN & KOTHARI
Chartered Accountants**

Place : Mumbai :
Dated : 06/09/2006

**(B. L. JAIN)
Partner.
M.No. 15568**



BALANCE SHEET AS AT 31ST MARCH-2006

	SCHEDULE	AS ON 31.03.2006		AS ON 31.03.2005	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders Funds					
Share Capital	A	35,000,000		35,000,000	
Reserves & Surplus	B	<u>283,500</u>	35,283,500	<u>283,500</u>	35,283,500
Loan Funds	C				
Secured Loans		65,484,577		48,150,759	
Unsecured Loans		<u>3,755,304</u>		<u>4,270,856</u>	
			69,239,881		52,421,615
			<u>104,523,381</u>		<u>87,705,115</u>
APPLICATION OF FUNDS					
Fixed Assets	D				
Gross Block		47,013,465		47,013,465	
Less : Depreciation		<u>36,455,832</u>		<u>33,973,710</u>	
Net Block			10,557,633		13,039,755
Investments	E		21,100		21,100
Current Assets, Loans & Advances					
Inventories	F	6,356,586		10,571,140	
Sundry Debtors	G	72,138,205		73,021,218	
Cash and Bank Balances	H	100,383		100,429	
Loans and Advances	I	<u>3,067,906</u>		<u>3,621,563</u>	
		81,663,080		87,314,349	
Less : Current Liabilities and Provisions	J				
Current Liabilities		34,050,078		44,601,918	
Provisions		<u>239,660</u>		<u>314,484</u>	
Net Current Assets			47,373,342		42,397,947
Miscellaneous Expenditure (to the extent not written-off or adjusted)	K		1,861,684		3,105,810
Profit & Loss Account			44,709,622		29,140,503
			<u>104,523,381</u>		<u>87,705,115</u>
Notes to the Accounts	Q				
<i>As per our attached report of even date</i>					

For JAIN & KOTHARI
Chartered Accountants

(B.L.JAIN)
Partner
MN 15568
PLACE MUMBAI
DATE September 06, 2006

MAHENDRA KUMAR BOTHRA
CHAIRMAN & MANAGING DIRECTOR

DHARMENDRA SHARMA
DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH' 2006



Procal Electronics India Ltd.

PARTICULARS	Sch dule	FOR THE YEAR ENDED 31.03.2006		FOR THE YEAR ENDED 31.3.2005	
		RS.	RS.	RS.	RS.
1. INCOME					
Sales	L	538,333		278,267	
LESS : Sales Tax		<u>20,707</u>	517,626	<u>8,035</u>	270,232
Other Income	M		32,804		59,164
			<u>5,50,430</u>		<u>3,29,396</u>
2. EXPENDITURE					
Material Cost and Inventory Adjustment	N		4,190,586		336,802
Personnel Cost	O		180,401		313,991
Administrative and Selling Expenses	P		18,51,918		2,934,800
Finance Charges			7,411,020		6,586,459
Depreciation			<u>2,482,124</u>		<u>3,311,666</u>
			<u>16,116,049</u>		<u>13,483,718</u>
3.PROFIT /(LOSS) BEFORE TAXATION (1-2)			(15,565,619)		(13,154,322)
Less Provision For F.B.T.			(3,500)		-
4. LOSS AFTER TAX			(15,569,119)		(13,154,322)
5.DEFERRED REVENUE EXPENDITURE WRITTEN BACK (REF. NOTE NO.8)			-		4,349,936
			<u>(15,569,119)</u>		<u>(8,804,386)</u>
6. EXCEPTIONAL ITEM					
Provision for diminution in value of investment			-		(75,100)
			<u>(15,569,119)</u>		<u>(8,879,486)</u>
7 BALANCE BROUGHT FORWARD			(29,140,503)		(20,261,017)
8. BALANCE CARRIED FORWARD TO BALANCE SHEET			(44,709,622)		(29,140,503)
9.BASIC EARNING PER SHARE			(4.45)		(3.75)

Notes to the Accounts Q

As per our attached report of even date
For **JAIN & KOTHARI**
Chartered Accountants

MAHENDRA KUMAR BOTHRA
Chairman & Managing Director

(B.L.JAIN)
Partner
MN 15568
PLACE :- MUMBAI
DATE :- 06.09.2006

DHARMENDRA SHARMA
Director



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2006
AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.**

	2005-2006 RUPEES	2004-2005 RUPEES
SCHEDULE "A"		
SHARE CAPITAL:		
AUTHORISED:		
35,00,000 Equity Shares of Rs.10/- each.	35,000,000	35,000,000
ISSUED, SUBSCRIBED & PAID-UP:		
35,00,000 Equity Shares of Rs.10/- each, fully paid up	35,000,000	35,000,000
	<u>35,000,000</u>	<u>35,000,000</u>
SCHEDULE "B"		
RESERVES AND SURPLUS :		
(1) CAPITAL RESERVE:		
(On Forfeiture of Shares)	283,500	283,500
	<u>283,500</u>	<u>283,500</u>
SCHEDULE "C"		
LOAN FUNDS :		
1. SECURED LOANS:		
i. From Canara Bank :		
a) Cash Credit :		
<i>(Against Hypothecation of stocks of raw materials, finished goods & Semi-finished goods of Electronic Calculators & Electrical Items and book debts and also collaterally secured by hypothecation of plant & machinery, EMT of Gala number 44 & 45 at Pragati Industrial Est. Silvassa (& residential bungalow of relatives of Directors in previous year) & land at Daman belonging to a group Company of a debtor and Corporate Guarantee by it and guarantee by Directors)</i>	10,456,154	10,456,154
b) Overdraft against Book Debts :	10,000,000	10,000,000
<i>(Against hypothecation of Book Debts of REPOL Commodities & Collateral secured & gurantee given as stated in para 1(i) (a) above)</i>		
ii. From Gujrat State Financial Corporation :		
Term Loan :		
<i>(Against Hypothecation of Land & Build., Plant & Machinery, & other Assets situated at gala no. 23,25,27 & 28 at Aml Industrial Estate- Silvassa & Personal guarantee of Directors)</i>	45,028,423	37,864,929
	<u>65,484,577</u>	<u>58,321,083</u>
2. UNSECURED LOANS :		
From Relative of Director	2,152,500	2,152,500
From Companies	1,602,804	2,118,356
	<u>3,755,304</u>	<u>4,270,856</u>
TOTAL (1 + 2)	<u>69,239,881</u>	<u>62,591,939</u>



SCHEDULE "D" : FIXED ASSETS

S R N O	Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on 31-03-2005	Additions During the Year	Total As on 31-03-2006	Up to 31-03-2005	For the Year	Total As on 31-03-2006	As on 31-03-2006	As on 31-03-2005
1.	Land : Freehold	457,048	-	457,048	-	-	-	457,048	457,048
2.	Factory Buildings	8,741,537	-	8,741,537	4,089,020	465,252	4,554,272	4,187,265	4,652,517
3.	Plant & Mach.								
	(a) Plant & M/c.	6,493,558	-	6,493,558	5,006,478	210,895	5,217,373	1,276,185	1,487,080
	(b) Dies, Moulds & Tools	26,687,021	-	26,687,021	21,228,867	1,637,446	22,866,313	3,820,708	5,458,154
4.	Other Equipment								
	(a) Other Equip.	1,389,243	-	1,389,243	846,854	71,404	918,258	470,985	542,389
	(b) Computers	1,115,258	-	1,115,258	1,064,685	21,357	1,086,042	29,216	50,573
5.	Furniture & Fix.	1,686,128	-	1,686,128	1,350,873	60,680	1,411,553	274,575	335,255
6.	Vehicles	443,672	-	443,672	386,932	15,089	402,021	41,651	56,740
	TOTAL	47,013,465	-	47,013,465	33,973,709	2,482,123	36,455,832	10,557,633	13,039,755
	Previous year	47,013,465	-	47,013,465	30,662,044	3,311,666	33,973,710	13,039,755	16,351,421



SCHEDULE "E"

INVESTMENTS : (AT COST)

LONG TERM INVESTMENTS IN EQUITY SHARES :

I. UNQUOTED :

1) OTHER INVESTMENTS

2005-2006
RUPEES

2004-2005
RUPEES

Fully Paid-Up :

- (i) 7510 Equity Shares of Rs.10/- each
of Twenty First Century Packaging Industries Ltd.*
- (ii) 400 Shares of Rs. 25/- each of Shamrao Vithal Co-Op. Bank
- (iii) 500 Shares of Rs.10/-each of New India Co-Op. Bank Ltd.
- (iv) 40 Shares of Rs.25/-each of Punjab & Maharashtra Co-Op. Bank Ltd.
- (v) 500 Shares of Rs. 10/- each of Sangli Urban Co-Op Bank Ltd.
- (vi) 4 Shares of Rs.25/- each of The City Co-Op Bank Ltd.

75,100	75,100
10,000	10,000
5,000	5,000
1,000	* 1,000
5,000	5,000
100	100
96,200	96,200
75,100	75,100
21,100	21,100

*Less:- provisions

SCHEDULE "F"

INVENTORIES :

(As taken, valued & certified by the Management)

- 1. Raw Materials
- 2. Finished Goods
 - (i) Product
 - (ii) Traded

4,183,278	5,976,112
897,081	1,794,161
1,276,227	2,800,867
6,356,586	10,571,140

SCHEDULE "G"

SUNDRY DEBTORS :

- (Unsecured - Considered doubtful)
- Due for a period exceeding six months
- Others.

72,138,205	73,021,218
72,138,205	73,021,218

SCHEDULE "H"

CASH AND BANK BALANCES :

- Cash on hand
- Bank Balance (With Scheduled Banks) :
 - 1. Current Account
 - 2. Fixed Deposit Account

90,383	74,921
-	15,508
10,000	10,000
100,383	100,429

SCHEDULE "I"

LOANS AND ADVANCES :

- (Unsecured - Considered Good)
- Loans
- Advances Recoverable in Cash or in Kind or
for value to be received.
- Deposits

1,192,575	1,192,575
993,920	14,191,358
881,411	937,630



	3,067,906 2005-2006 RUPEES	16,321,563 2004-2005 RUPEES
SCHEDULE "J"		
CURRENT LIABILITIES AND PROVISIONS :		
(I) CURRENT LIABILITIES :		
i) Sundry Creditors	31,948,206	42,200,046
ii) Advances Received From Customers	2,101,872	2,401,872
	<u>34,050,078</u>	<u>44,601,918</u>
(II) PROVISIONS :		
Provision for Taxation	239,660	314,484
	<u>34,289,738</u>	<u>44,916,402</u>
SCHEDULE "K"		
MISCELLANEOUS EXPENDITURE		
(to the extent not written-off or adjusted)		
Deffered Revenue Expenditure (Software)	1,861,684.00	3,105,810.00
	<u>1,861,684.00</u>	<u>3,105,810.00</u>
SCHEDULE "L" : SALES		
SALES:		
TRADED:		
Local	538,333	278,267
	<u>538,333</u>	<u>278,267</u>
SCHEDULE "M" : OTHER INCOME		
Dividend	2,535	2,565
Sundry Debit/Credit Balance w/off/back	30,269	22,909
Commission received	-	33,690
	<u>32,804</u>	<u>59,164</u>
SCHEDULE "N" : MATERIAL COST AND INVENTORY ADJUSTMENTS		
1. RAW MATERIAL CONSUMED :		
Opening Stock	5,976,112	5,976,112
Add : Purchases	-	-
	<u>5,976,112</u>	<u>5,976,112</u>
Less : Closing Stock	4,183,278	5,976,112
Net Differance	<u>1,792,834</u>	<u>-</u>
2. TRADED PURCHASE :		
Local	-	430,946
	<u>-</u>	<u>430,946</u>
3. INVENTORY ADJUSTMENTS :		
Stock at Commencement		
Finished Goods (Product)	1,794,161	1,794,161
	<u>1,794,161</u>	<u>1,794,161</u>
Finished Goods (Traded)	2,800,867	2,706,723
Less Vat Set Off	(23,968)	-
	<u>2,776,899</u>	<u>2,706,723</u>
TOTAL (A)	<u>4,571,060</u>	<u>4,500,884</u>
Less: Stock at Close		
Finished Goods (Product)	897,081	1,794,161
Finished Goods (Traded)	1,276,227	2,800,867
	<u>2,173,308</u>	<u>4,595,028</u>
TOTAL (B)	<u>2,173,308</u>	<u>4,595,028</u>
TOTAL (A - B)	<u>2,397,752</u>	<u>(94,144)</u>



	2005-2006 RUPEES	2005-2006 RUPEES	2004-2005 RUPEES	2004-2005 RUPEES
SCHEDULE "0" : PERSONNEL COST				
Contribution to P.F		16,620		32,736
Salaries, Wages, Bonus & Allow.		154,650		266,550
Workman and Staff Welfare Exp.		9,131		14,705
		<u>180,401</u>		<u>313,991</u>

SCHEDULE "P" : ADMINISTRATIVE & SELLING EXPENSES

Electricity Expenses		41,257		48,076
Telephone & Telex		827		33,408
Printing & Stationary		31,323		38,724
Travelling & Conveyance		11,051		12,000
Legal & Professional Charges		218,390		83,257
Rent Rates & Taxes		102,600		166,693
Repairs and Maintenance				
Others	<u>1,041</u>	1,041	<u>75,929</u>	75,929
Miscellaneous Expenses		74,913		132,280
Payment to Auditors				
For Audit	28,060		27,550	
For Taxation	15,000		15,000	
For Others	<u>11,071</u>	54,131	<u>10,985</u>	53,535
Fees & Charges		10,386		18,100
Postage & Courier Expenses		41,343		16,159
Freight, Transport & Clearing		1,125		2,600
Loss on Sale of Investment	-		3,140,023	
Less :- Provision for Diminution in Value of Investment made earlier adjusted	-	-	<u>2,149,000</u>	991,023
Deffered Revenue Expenses W/off (Software)		1,244,126		1,244,126
Business Promotion & Publicity Expenses		19,406		18,890
		<u>1,851,918</u>		<u>2,934,800</u>



SCHEDULE "Q" : "NOTES TO THE ACCOUNTS" :

1. SIGNIFICANT ACCOUNTING POLICIES :

A) Basis of Accounting :

- (i) The financial statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles & the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- (ii) The Company follows accrual system of accounting for all items of revenue & costs.
- (iii) The Accounts have been prepared on going concern basis.

B) Fixed Assets:

- (i) Fixed Assets are stated at cost of acquisition less cenvat credit availed.
- (ii) All direct expenses attributable to fixed assets and proportionate pre-operative expenses upto production are capitalised to Fixed Assets.
- (iii) Cost of borrowing for assets taking substantial time to be ready for use is capitalised for the period upto the time the asset is ready to use.

C) Depreciation:

Depreciation is provided as per rates specified in Schedule XIV of the Companies Act, 1956 at written down value method on pro-rata basis.

D) Investments:

Long term Investment are stated at cost. No provisions are made for diminution in value of investments, which are of temporary nature.

E) Inventories:

Inventories are valued at lower of cost or Net Realisable value unless otherwise Stated. The basis of determining cost of various categories of inventories is as Follows.

a) Raw Material :

Cost is arrived net of Cenvat computed on FIFO method.

b) Finished Goods :

Traded: Cost is net of vat input credit computed on FIFO method.

Product: Cost is including material cost net of Cenvat, labour cost and all other Manufacturing overheads and excise duty for finished goods lying at Bonded warehouse.

F) Sales:

Sales are inclusive of sales tax(vat).

G) Taxes on Income

Current tax, if any, is determined as the account of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.



H) Retirement Benefit

- i. Gratuity is charged to the revenue on the basis of actual valuations made at the year-end.
- ii. Leave Encashment is provided on the basis of actual valuation made at the year-end.

I) Deferred Revenue Expenses: - As per AS-26 of intangible assets, deferred revenue expenses written off fully in the year of occurrence.

2) Contingent Liabilities not provided in respect of: -

	Year ended 31.03.2006 (Rs. In lacs)	Year ended 31.03.2005 (Rs. In Lacs)
a) Bills of exchange discounted and not matured Since realised.	90.30	90.30
b) Demand of Central Excise and Custom	NIL	NIL
	165.02	165.02

3) During the year under report the company has carried out only little trading activity & has not carried out any manufacturing activities since last 3 years due to closure of the units in view of non-viability and abrupt withdrawal of buy back arrangement by the major buyer leading to financial crunch. The company has incurred substantial cash losses during the year and in earlier years.

Despite of above, the accounts of the company are prepared on going concern basis, as the management is hopeful of reviving the business by starting the trading & agency business.

- 4) No provision has been made in the accounts for the interest liability on various Bank Loans amounting to App. Rs. 75.40 Lacs as the loan accounts have been classified as NPA by the Company's bankers Canara Bank and accordingly stopped charging interest. The company is negotiating with the bank and the liability if any shall be provided in the year of settlement. In view of this the company's loss for the year is understated by Rs. 75.40 lacs.
- 5) During the year under report the management has reviewed the valuation of closing stock of raw material and finished goods and has arrived at the market realisable value. The valuation of stock being technical in nature is done and certified by the management and not verified by the auditors. Management has also reviewed the sundry debtors/creditors and has written off/back the amount in opinion of management not receivable/payable.
- 6) In View of closure of the unit II of Silvassa & non fulfilment of export obligations the Commissioner of Central Excise & Customs has raised a demand amounting to Rs. 1,65,20,069/- vide their order dt. 18.10.2004 towards various duties, fine & penalty. The company has filed an appeal against above order before the Central Excise Tribunal (CEGAT).
- 7) Company's banker has issued notice to company & guarantors under the securitisation Act, one of the guarantor has appealed the said notice with DRT.
- 8) Sundry Debtors includes the payment effected to the Consignor by the Company on behalf of its customers in relation to Consignment Agency business in earlier years.



- 9) No provision has been made for interest /penalty for contravention of certain fiscal statutes/rules.
- 10) As per Accounting standard 22 " Accounting for taxes on Income " issued by ICAI, the company considering the present financial position and requirement of accounting standard regarding certainty /virtual certainty the Company has not recognised the Deferred Taxes Assets on account of brought forward/current year losses and depreciation differences.
- 11) During the year entire operations of the Company relate to only one segment viz calculators /Diaries/Organisers. As such there is no separate reportable segment under AS-17 on segment reporting.
- 12) Related Party disclosure as required by AS-18 issued by ICAI.

Relationships

- A) Directors
Shri Mahendrakumar Bothra
Shri Dharmendra Sharma
Shri Shreyans Dassani
Shri Suresh Iyer
- B) Other related parties
Pushpadevi Bothra

Transactions with related parties

- a) Balance payable for the year end of Rs. 21.53 Lacs

(Rs. in Lacs)

	31.03.2006	31.03.2005
13) Earning per Share:		
i) Loss after tax as per P&LA/c	155.69	131.54
ii) Weighted average number of Equity Shares outstanding (Net)	35.00	35.00
iii) Loss per Shares (basic & diluted)	4.45	3.75

- 14) The Company has pledged FDR of Rs.10,000/- with it's bankers against bank guarantees given to Sales Tax Authorities.
- 15) Due to financial constraint P. Fund dues in many cases could not be deposited in time, since paid, efforts are being made to pay Income Tax towards Interest & Sales Tax.
- 16) Company's Investments in shares of various Company's verified and certified by the management and not verified by the Auditors.
- 17) In opinion of the Board of Directors all the current assets, loans & advances have value on realisation at least the value of an amount equal to the amount at which they are stated in the Balance Sheet.
- 18) Balances of Loans, Advances, Sundry Debtors, Sundry Creditors are subject to confirmation and reconciliation, if any.



19) Previous year's figures have been regrouped/rearranged wherever necessary.

20) Additional information pursuant to paragraphs 3,4,4A,4C and 4D of Part II & Part IV of Schedule VI of the Companies Act, 1956.

A) Licensed & Installed Capacity and Actual Production :-

Licensed & Installed Capacity : Not Applicable

Actual Production :-

Item	Unit	Year Ended 31.03.2006	Year Ended 31.03.2005
Calculators	Nos.	NIL	NIL

B) Stock of each Finished Goods.

Item	Unit	(Amt. In Lacs)		(Amt. In Lacs)		(Amt. In Lacs)	
		Year Ended 31.03.2006		Year Ended 31.03.2005		Year Ended 31.03.2004	
		Qty	Amount	Qty	Amount	Qty	Amount
Product Calculators	Nos	15819	8.97	15819	17.95	15819	17.95
Traded Calculator/Diaries /Organiser	Nos	11818	6.88	17059	17.41	9485	17.36
Others	Nos	119629	5.88	119629	10.59	11941	9.69
			21.73		45.95		45.00

a) Include sales return qty. of earlier years, in closing stock

Year Ended 31.03.2005 - 10010 Pcs (Traded)

Year Ended 31.03.2005 - 107688 Pcs (Others)

Year Ended 31.03.2004 - 1725 Pcs (Traded)

C. Product Sales

Items	Unit	Year Ended 31.03.2006		Year Ended 31.03.2005	
		Qty.	Amount (In Lacs)	Qty.	Amount (In Lacs)
Calculator	Nos.	NIL	NIL	NIL	NIL

D. Sales and Purchases of Traded Goods :-

Sr. No.	Item	Unit	SALES				PURCHASES			
			2005-2006		2004-2005		2005-2006		2004-2005	
			Qty.	Amount (in lacs)	Qty.	Amount (in lacs)	Qty.	Amount (in lacs)	Qty.	Amount (in lacs)
I)	Calculators, Diaries & Organiser	Nos.	5241	5.38	3933	*2.78	NIL	NIL	1497	2.24
II)	Stationary	Nos.	Nil	Nil	Nil	Nil	Nil	107688	2.07	
			<u>5.38</u>		<u>2.78</u>		<u>NIL</u>		<u>4.31</u>	

* Value adjusted by sales return (Traded) for Rs. 9.85 Lacs.



E. Other information of the Para are not applicable.

**For JAIN & KOTHARI
Chartered Accountants**

**MAHENDRA KUMAR BOTHRA
MANAGING DIRECTOR**

**(B. L. JAIN)
Partner.
M.No. 15568**

**DHARMENDRA SHARMA
DIRECTOR.**

Place: Mumbai
Dated: 06.09.2006



Balance Sheet Abstract and Company's General Business Profile

Additional information pursuant to part IV of Schedule VI of the Companies Act, 1956

I. Registration Details

Registration No. **66276** State Code : **11**
Balance Sheet Date **31-03-2006**

II. Capital Raised during the Year (Amount in Rs. Thousands) :

1 Public Issue **NIL** 2 Right Issue **NIL**
3 Bonus Issue **NIL** 4 Private Placement **NIL**

III. Position of Mobilisation & Employment of Fund : (Amount in Rs. Thousand)

Total Liabilities **104523** Total Assets **104523**

Sources of Funds

Paid Up Capital 35000	Reserves & Surplus 284
Secured Loans 65484	Unsecured Loans 3755

Application of Funds

Net Fixed Assets 10558	Investments 21
Net Current Assets 47,373	Misc. Expenditure 1862
Deferred Tax Assets NIL	
Accumulated Losses 44709	

IV. Performance of Company (Amount in Rs.Thousands)

Turnover 550	Total Expenditure 16,116
Profit/Loss(-) Before Tax (15566)	Profit/Loss (-) After Tax (15569)
Earning Per Share in Rs. (4.45)	Dividend Rate (%) NIL

V. Generic Names of Three Principal Products/Services of Company (As per Monetary Terms)

1) Item Code No. : **84-70**
(ITC Code)

Product Description: **Electronics Calculators**



Cash Flow Statement Annexed to the Balance Sheet for the Year ended 31st March, 2006

	(In Lacs) AMOUNT 2005-2006	(In Lacs) AMOUNT 2004-2005
A. Cash Flow from Operating Activities		
NET PROFIT/(LOSS) BEFORE TAX	(155.66)	(131.54)
<u>Extraordinary items</u>		
Loss/(Profit) on Sale of Fixed Assets	0.00	0.00
Loss on Sale of Investments	0.00	9.91
Diminution in value of investment	0.00	0.75
Deferred Revenue Expenditure Written Off	12.44	12.44
	<u>12.44</u>	<u>23.10</u>
Net Profit/(Loss) Before Tax and Extra Ordinary Items	(143.22)	(108.44)
<u>ADJUSTMENTS FOR :</u>		
Depreciation	24.82	33.12
Interest Paid	74.59	66.24
Interest Received	(0.40)	(0.38)
	<u>99.01</u>	<u>98.98</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(44.21)	(9.46)
<u>ADJUSTMENTS FOR</u>		
Trade and Other Receivables	14.38	25.12
Inventories	42.14	(0.94)
Trade Payables	(106.30)	(1.25)
	<u>(93.99)</u>	<u>22.93</u>
Interest Paid	74.59	3.12
	<u>74.59</u>	<u>3.12</u>
NET CASH FROM OPERATING ACTIVITIES	(168.58)	10.35
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	0.00	0.00
Sale of Investments	0.00	29.01
Interest Received	0.40	(0.38)
	<u>0.40</u>	<u>28.63</u>
NET CASH USED IN INVESTING ACTIVITIES	0.40	28.63
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from Long Term Loan	168.18	(38.36)
	<u>168.18</u>	<u>(38.36)</u>
NET CASH USED IN FINANCING ACTIVITIES	168.18	(38.36)



NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	0.00	0.62
OPENING BALANCE CASH AND CASH EQUIVALENTS	1.00	0.38
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	1.00	1.00

As per our attached Report of even date

For Jain & Kothari
Chartered Accountants

(B.L.Jain)
Partner
M.No. 15568

Place : Mumbai
Dated : 6th September 2006

MAHENDRA KUMAR BOTHRA
CHAIRMAN & MANAGING DIRECTOR

DHARMENDRA SHARMA
DIRECTOR

PROCAL ELECTRONICS INDIA LIMITED

Registered Office: 1, Tyre Terrace, 205/207, Lamington Road, Mumbai - 400 007.

ATTENDANCE SLIP

Shareholder attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand over it at the entrance of the meeting hall.

I hereby record my presence at the Fourteenth Annual General Meeting of the Company at Navyojana Sadan, Near Diana Talkies, Tardeo, Mumbai - 400 034 on 30th September 2006 at 10.30 a.m. or at any adjournment there of.

Full Name of the Shareholder
(In block capitals)

Signature

Reg. Folio No. _____

* Client ID No. _____

* DP ID No. _____

Full Name of Proxy
(In block capitals)

Signature of Proxy

* Applicable for Investors holding shares in Electronics Form.

CUT HERE

PROCAL ELECTRONICS INDIA LIMITED

Registered Office : 1, Tyre Terrace, 205/207, Lamington Road, Mumbai - 400 007.

PROXY FORM

I/we _____

of _____ in the district of _____

being member of above company, hereby appoint Shri/Smt./Kum _____

of _____ in the district of _____

or failing him/her Shri/Smt./Kum _____ of _____

in the district of _____

for me/us on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on

Signed this _____ day of _____ 2006.

Reg. Folio No. _____

* Client ID No. _____

* DP ID No. _____

30 paise
Revenue
Stamp to
be Affixed

This proxy form duly completed and signed must be received at the Company's Registered Office at least 48 hours before meeting.

* Applicable for Investors holding shares in Electronics Form.

BOOK - POST

IF UNDELIVERED PLEASE RETURN TO :
PROCAL ELECTRONICS INDIA LIMITED
1, TYRE TERRACE, 205/207, LAMINGTON ROAD, MUMBAI - 400 007.