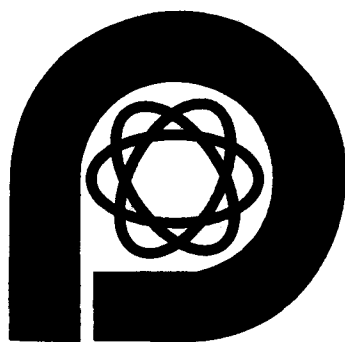


**EIGHTEENTH ANNUAL REPORT**

**2009-2010**



**PROCAL ELECTRONICS INDIA LIMITED**

# **EIGHTEENTH ANNUAL REPORT 2009-2010**

## **BOARD OF DIRECTORS**

**SHRI MAHENDRA KUMAR BOTHRA**

**CHAIRMAN  
& MANAGING DIRECTOR**

**SHRI DHARMENDRA SHARMA**

**DIRECTOR**

**SHRI SURESH KUMAR IYER**

**DIRECTOR**

**SHRI PRADEEP KOTHARI**

**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**

**SHOP NO. 12, NIDHIVAN SHOPPING CENTRE CHS LTD.,  
UPPER GOVIND NAGAR,  
MALAD (E), MUMBAI 400 097.**

## **WORKS**

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



## NOTICE

Notice is hereby given that the **Eighteenth Annual General Meeting** of the members of Procal Electronics India Limited will be held at its **Registered Address** (Shop No.12, Nidhivan Shopping Centre CHS Ltd., Upper Govind Nagar, Malad (E), Mumbai – 400 097) on **Thursday, 30th September 2010, 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, 2010 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 Mahendrakumar Bothra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Suresh Kumar Iyer, 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. 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 Identity and Client Identity number in their correspondence;
  - c. bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
3. 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.

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

Place: Mumbai  
Date: 02/09/2010



**PROCAL ELECTRONICS INDIA LIMITED**

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors in present herewith the Eighteenth Annual Report together with the Statement of Accounts for the year ended March 31, 2010.

**FINANCIAL RESULTS**

	<b>2009-10</b> <b>(Rs. In lacs)</b>	<b>2008-09</b> <b>(Rs. in lacs)</b>
Sales and Other Income	3.79	1.93
Profit/(Loss) before Depreciation	(0.54)	(109.63)
Less : Depreciation	8.88	11.24
Profit/(Loss) before Tax	(8.34)	(120.87)
Less: Provision for FBT/ Earlier Tax	NIL	(0.10)
Profit/(Loss) after Tax	(8.34)	(120.97)
<u>Less Exceptional Item/Prior period adjustment</u>	<u>NIL</u>	<u>NIL</u>
	(8.34)	(120.97)
Profit/(Loss) brought forward from previous year	(807.06)	(686.09)
Balance carried to Balance Sheet	(815.40)	(807.06)

**MANAGEMENT DISCUSSION AND ANALYSIS**

a) Financial Performance and Operations Review:

Sales and other income for the year amounted to Rs 3.79 Lacs compared to Rs. 1.93 Lacs for the previous year. During the year under review, your Company has made a loss before tax of Rs. 8.34 Lacs against loss of Rs. 120.87 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 in no sales and overall performance of the Company.

c) Outlook:

The management is still hopeful and trying for reviving the business by starting the trading & agency business.

d) Human Resources:

Your Company don't have any employees during the year.



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. Mahendra Kumar Bothra retires by rotation at the ensuing Annual General Meeting and, being eligible, he has offered himself for re-appointment.

Mr. Suresh Kumar Iyer 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 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**

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

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

## **AUDIT REPORT**

### Note to point No. 4 (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 unit and absences of substantial business activities.



- (ii) As the Company is negotiating with the bank & GSFC 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 & GSFC loan as the loan accounts have been classified as NPA by the company's Banker Canara Bank/GSFC 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 Mumbai, Stock Exchange. The Company has paid the Annual listing fees to Stock Exchanges for the year 2009-2010.

#### **ACKNOWLEDGMENTS**

Your Directors convey their gratitude to Canara Bank/GSFC for their continued assistance and support.

**FOR AND ON BEHALF OF THE BOARD  
MAHENDRA KUMAR BOTHRA  
CHAIRMAN & MANAGING DIRECTOR**

**Place : Mumbai  
Date: 02.09.2010**



## **DECLARATION**

TO,

The Members of the Procal Electronics India Ltd.

With respect to clause 49 of the listing agreement with the Stock Exchange, this is to declare that the code of conduct envisaged by the company for members of the Board and all members of the Board and Senior Management Personnel of the company have complied with Senior Management Personnel respectively.

**MAHENDRA KUMAR BOTHRA  
CHAIRMAN & MANAGING DIRECTOR**

Place: Mumbai  
Date: 02.09.2010



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 apprised 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 judgment in the deliberation and decisions of the Board.

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

In total 6 Board Meetings were held during the Financial Year 2009-10. The last AGM of the Company was held on 30th September 2009.

Name of the Director	Category	No. of board mtgs attended	Attendance at last AGM
Mr. Suresh Kumar Iyer	Non Executive Director	5	Yes
Mr. Pradeep Kothari	Non-Executive Director	6	Yes
Mr. Mahendra Kumar Bothra	Managing Director	6	Yes
Mr. Dharmendra Sharma	Non-Executive Director	6	Yes

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

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





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

6 Board Meetings were held during the Financial Year 2009-10. The dates on which the said meetings were held are as follows:

30 <sup>th</sup> April, 2009	13 <sup>th</sup> July, 2009	31 <sup>st</sup> July, 2009	02 <sup>nd</sup> September, 2009
31 <sup>st</sup> October, 2009	31 <sup>st</sup> January, 2010		

● **Notes on Directors:**

**Mr. Mahendrakumar Bothra**

Mr. Mahendrakumar Bothra is a Graduate in Commerce and being the Managing Director of the Company has an excellent technical knowledge in the electronics field. He has over 15 years of experience in the electronics industry.

**Mr. Suresh Kumar Iyer**

Mr. Suresh Kumar Iyer is a Graduate in Commerce and having over 10 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. Pradeep Kothari & 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 Exchange.

● **Audit Committee meetings and the attendance during the financial year 2009-10**

There were five meetings of the Audit Committee during the Financial Year 2009-10

<b>Name of the Director/Member</b>	<b>No. of Audit Committee mtgs attended</b>
Mr. Suresh Kumar Iyer	5
Mr. Pradeep Kothari	5
Mr. Dharmendra Sharma	5

**4. Remuneration to Directors**

The Company has formed a remuneration committee comprising of Mr. Pradeep Kothari 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 2009-10.

**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. Pradeep Kothari, Non-Executive Independent Director are the other Members of the Committee. Mr. Mahendra Kumar Bothra is the Compliance Office of the Company.

During the year, the company received No complaints/Correspondence/Query, from the shareholders, regarding the non receipt of Demat Credit, both of which were attended to. During the year 4 transfers for 700 shares were received, which were duly made in time.

The Registrar and Share Transfer Agent 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.**

<b>AGM for the financial year ended</b>	<b>Date &amp; time of AGM</b>	<b>Address</b>
31 <sup>st</sup> March, 2009	Wednesday, 30 <sup>th</sup> September 2009 at 10.30 am	Shop No 12, Nidhivan Shopping Centre, Upper Govind Nagar, Malad (E), Mumbai 400 097.
31 <sup>st</sup> March, 2008	Tuesday, 30 <sup>th</sup> September 2008 at 10.30 am	Navyojana Sadan, Nr. Diana Talkies, Tardeo, Mumbai – 400 034.
31 <sup>st</sup> March, 2007	Monday, 31 <sup>st</sup> December 2007 at 10.30 am	Navyojana Sadan, Nr. Diana Talkies, Tardeo, Mumbai – 400 034.

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.

The transactions with the related parties are disclosed in the Notes to the Accounts forming part of the annual report.



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.

## 7. CEO/CFO Certification:

CEO/CFO Certification by Mr. Mahendra Kumar Bothra, Managing Director as required under Clause 49 (V) of the Listing Agreement was placed before the Board at its meeting.

## 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, 2010 at 10.30 a.m. at Shop No.12, Nidhivan Shopping Centre CHS Ltd., Upper Govind Nagar, Malad – East, Mumbai – 97.

Financial calendar  
First quarter results  
Second quarter results  
Third quarter results  
Annual results

April – March  
Last week of July  
Last week of October  
Last week of January  
Last week of August

Date of Book closure  
Dividend Payment dates(s)

25th September, 2010 to 30th September, 2010.  
The Company has not declared any dividend for the financial year 2009-10.

Listing on Stock Exchanges  
BSE Company Code  
Stock code - Physical  
ISIN Number for NSDL & CDSL

Mumbai  
3840  
526009  
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,  
Jarimari – Sakinaka, Andheri – Mumbai – 400 072

Investors complaint may be addressed to

Mr. Mahendra Kumar Bothra – Managing Director



during the year 2009-10.

**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. Pradeep Kothari, Non-Executive Independent Director are the other Members of the Committee. Mr. Mahendra Kumar Bothra is the Compliance Office of the Company.

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**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.

The transactions with the related parties are disclosed in the Notes to the Accounts forming part of the annual report.



**Annexure B**

The distribution of shareholding as on 31st March 2010 is as follows:

No. of equity shares held	No. of shareholders	%	No. of shares	%
Upto 250	3,027	67.18	4,110,580	11.745
251 to 500	783	17.38	3,243,230	9.266
501 to 1000	387	8.59	3,436,360	9.818
1001 to 2000	139	3.08	2,130,330	6.087
2001 to 3000	59	1.31	1,517,340	4.335
3001 to 4000	22	0.49	789,590	2.256
4001 to 5000	32	0.71	1,533,390	4.381
5001 to 10000	24	0.53	1,748,440	4.996
10001 & above	33	0.73	16,490,740	47.116
<b>Grand Total</b>	<b>4,506</b>	<b>100.000</b>	<b>35,00,000</b>	<b>100.00</b>
No. in Physical Mode			9,880,10	28.23
No. in Electronic Mode			2511990	71.77

Shareholding pattern as on 31st March 2010 is as follows:

Category	No. of Shareholders	No. of Shares	% holding
Indian Promoters	21	1233764	35.25
Banks and Insurance Companies	-	-	-
UTI and Mutual Funds	-	-	-
FII's and NRI's	38	111100	3.17
Domestic Companies	77	159577	4.56
Resident Individuals	4348	1969120	56.26
Hindu Undivided Family	22	26439	0.76
<b>Total</b>	<b>4506</b>	<b>3500000</b>	<b>100.00</b>



M/s. Procal Electronics India Limited  
Shop No.12, Nidhivan Shopping Centre CHS Ltd.,  
Upper Govind Nagar, Malad (E), Mumbai - 400 097.  
E-mail: [procalelectronics@gmail.com](mailto:procalelectronics@gmail.com)

Market price data : High, Low during each month in last financial year

Please see Annexure 'A'

Registrar and Share Transfer Agent

Satellite Corporate Services Pvt. Ltd.  
B-302, Sony Apartment, Opp. St.Jude High School,  
Jarimari - Sakinaka, Andheri - Mumbai - 400 072  
TEL NO 022-28520461/62  
FAX NO 022-28511809  
EMAIL : [service@satellitecorporate.com](mailto:service@satellitecorporate.com)

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 31.03.2010

Please see Annexure 'B'

Dematerialization of Shares

71.77 % of the paid-up share capital has been dematerialized as on 31st March, 2010

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

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 2009-10 is furnished below:

Year	Month	Highest (Rs.)	Lowest (Rs.)	
2009	April	1.96	1.42	
	May	1.63	1.42	
	June	2.10	1.71	
	July	2.10	2.10	
	August	2.00	1.73	
	September	1.79	1.49	
	October	1.96	1.54	
	November	2.66	2.02	
	December	2.95	2.30	
	2010	January	2.88	2.62
		February	2.75	2.40
		March	2.29	2.00



**JAIN & KOTHARI**  
Chartered Accountants

43, Onlooker Building,  
Sir P. M. Road, Fort,  
Mumbai :- 400 001.  
Tel : 2266 33 42  
Fax : 2266 02 67.  
Email: [jainbl@hotmail.com](mailto:jainbl@hotmail.com)

**AUDITOR'S REPORT**

PROCAL ELECTRONICS INDIA LIMITED  
MUMBAI  
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 31<sup>st</sup> March, 2010, 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.*



**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 2010, 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, and in view of NIL activity carried out by the company, 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, 2010 no investor grievances are pending exceeding one month against the Company as on 31st March, 2010 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  
Firm Regn No. 103870 W

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

Place: Mumbai  
Date: 02/09/2010





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,
    - (i) *The Fixed Assets of the company which are in lien and control of bank have not been physically verified by the management in view of that we are unable to express our opinion with regards to frequency and procedure of physical verification and any discrepancies.*
    - (ii) The fixed assets which are free from any lien and in control with company have been physically verified
  - (c) The Company has not disposed off any part of fixed assets during the year.
  - ii. (a) & (b) According to the explanations given to us ,
    - (i) *The inventories of the company which are in lien and control of bank have not been physically verified by the management in view of that we are unable to express our opinion with regards to frequency and procedure of physical verification and any discrepancies.*
    - (ii) Other Inventories have been physically verified during the year by the management and in our opinion the frequency and procedure of physical verification are reasonable and adequate in relation to the size of the company and 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.
- 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 three parties covered in the register maintained under section 301 of the companies Act, 1956, the maximum amount involved during the year was Rs. 27.57 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



- e. On the basis of written representation received from the Directors as on 31<sup>st</sup> March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 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) *Note No. 3 with regard to preparation of accounts on going concern basis, despite of closure of units and absence of any business activities.*
  - (ii) *Note No. 4 with regard to non provision of interest on loans taken from Bank & GSFC app. of Rs. 256.46 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 31<sup>st</sup> March, 2010 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**  
**Firm Regn No. 103870 W**

Place : Mumbai  
Dated : 02.09.2010

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



- 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  
Firm Regn No. 103870 W**

Place : Mumbai:

Dated : 02/09/2010

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



- (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.
- 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, 2010 for a period of more than six months from the date they became payable.

<i>S/N</i>	<i>Nature of Dues</i>	<i>Amount (Rs.)</i>	<i>Period</i>	<i>Due Date</i>	<i>Date of Payment</i>
	<i>Income Tax A.Y.2000-01</i>	<i>2,36,160/-</i>	<i>Y.E. 31.3.2000</i>	<i>19.09.2002</i>	<i>Not paid so far</i>

- (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.

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

- 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.*

<i>S/N</i>	<i>Lender</i>	<i>Amount (Rs. In lacs)</i>
<i>a)</i>	<i>Canara Bank</i>	<i>204.56*</i>
<i>b)</i>	<i>GSFC</i>	<i>735.38</i>

*(\* Balances are as per company's records, and not confirmed by the bank & financial institution.)*

- xi) The Company has not granted Loans and Advances on the basis of security by way of pledge of shares, debenture and other securities.

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH' 2010**

PARTICULARS	Sch dule RS.	FOR THE YEAR ENDED 31.03.2010		FOR THE YEAR ENDED 31.3.2009	
		RS.	RS.	RS.	RS.
<b>1. INCOME</b>					
Sales	K	-		129,600	
LESS : Sales Tax		-		5,184	124,416
Other Income	L		378,783		68,984
			<u>378,783</u>		<u>193,400</u>
<b>2. EXPENDITURE</b>					
Material Cost and Inventory Adjustment	M	-			123,232
Personnel Cost	N	-			162,382
Administrative and Selling Expenses	O	325,214			227,532
Finance Charges		-			10,642,774
Depreciation		887,685			1,124,400
			<u>1,212,899</u>		<u>12,280,320</u>
<b>3. PROFIT /(LOSS) BEFORE TAXATION (1-2)</b>			(834,116)		(12,086,920)
<b>4. PROVISION FOR TAXATION</b>					
Earlier Year- Income Tax			-		(9655)
<b>5. LOSS AFTER TAX</b>			(834,116)		(12,096,575)
<b>6. BALANCE BROUGHT FORWARD</b>			(80,706,233)		(68,609,658)
<b>7. BALANCE CARRIED FORWARD TO BALANCE SHEET</b>			(81,540,349)		(80,706,233)
<b>8. BASIC EARNING PER SHARE</b>			(0.24)		(3.46)

Notes to the Accounts

P

As per our attached report of even date

For JAIN &amp; KOTHARI

Chartered Accountants

Firm Regn No. 103870 W

MAHENDRA KUMAR BOTHRA

Chairman &amp; Managing Director

(B.L.JAIN)

Partner

MN 15568

PLACE :- MUMBAI

DATE :- 02.09.2010

DHARMENDRA SHARMA

Director

PLACE :- MUMBAI

DATE :- 02.09.2010





• BALANCE SHEET AS AT 31ST MARCH-2010

	SCHEDULE AS ON 31.03.2010		AS ON 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
<b><u>SOURCES OF FUNDS</u></b>				
<b>Shareholders Funds</b>				
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
<b>Loan Funds</b>				
Secured Loans	C	93,994,269		93,994,269
Unsecured Loans		<u>2,757,417</u>		<u>2,470,279</u>
			96,751,686	96,464,548
			<u>132,035,186</u>	<u>131,748,048</u>
<b><u>APPLICATION OF FUNDS</u></b>				
<b>Fixed Assets</b>				
Gross Block	D	47,013,465		47,013,465
Less : Depreciation		<u>41,792,191</u>		<u>40,904,506</u>
Net Block			5,221,274	6,108,959
<b>Investments</b>				
Current Assets, Loans & Advances	E		21,100	21,100
Inventories	F	5,892,809		5,892,809
Sundry Debtors	G	70,132,411		70,132,411
Cash and Bank Balances	H	169,210		204,193
Loans and Advances	I	<u>2,692,258</u>		<u>2,723,764</u>
		78,886,687		78,953,177
<b>Less : Current Liabilities and Provisions</b>				
Current Liabilities	J	33,398,064		33,805,261
Provisions		<u>236,160</u>		<u>236,160</u>
Net Current Assets			45,252,463	44,911,756
Profit & Loss Account			<u>81,540,349</u>	<u>80,706,233</u>
			<u>132,035,186</u>	<u>131,748,048</u>
Notes to the Accounts	P			
<i>As per our attached report of even date</i>				

For JAIN & KOTHARI  
Chartered Accountants  
Firm Regn No. 103870 W

MAHENDRA KUMAR BOTHRA  
CHAIRMAN & MANAGING DIRECTOR

(B.L.JAIN)  
Partner  
MN 15568  
PLACE : MUMBAI  
DATE : 02.09.2010

DHARMENDRA SHARMA  
DIRECTOR



SCHEDULE "D" : FIXED ASSETS										
S R N O	Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As on 31-03-2009	Additions During the Year	Total As on 31-03-2010	Up to 31-03-2009	For the Year	Total As on 31-03-2010	As on 31-03-2010	As on 31-03-2009	
1	Land : Freehold	457,048	-	457,048	-	-	-	457,048	457,048	
2	Factory Buildings	8,741,537	-	8,741,537	5,689,021	305,252	5,994,273	2,747,264	3,052,516	
3	Plant & Mach. (a) Plant & M/c. (b) Dies, Moulds & Tools	6,493,558 26,687,021	- -	6,493,558 26,687,021	5,672,095 25,376,520	114,266 393,151	5,786,361 25,769,671	707,197 917,350	821,463 1,310,502	
4	Other Equipment (a) Other Equip. (b) Computers	1,389,243 1,115,258	- -	1,389,243 1,115,258	1,095,915 1,108,947	40,802 2,524	1,136,717 1,111,471	252,526 3,787	293,328 6,311	
5	Furniture & Fix.	1,686,128	-	1,686,128	1,535,289	27,302	1,562,591	123,537	150,839	
6	Vehicles	443,672	-	443,672	426,719	4,389	431,108	12,564	16,953	
	<b>TOTAL</b>	<b>47,013,465</b>	<b>-</b>	<b>47,013,465</b>	<b>40,904,506</b>	<b>887,685</b>	<b>41,792,191</b>	<b>5,221,274</b>	<b>6,108,960</b>	
	<b>Previous year</b>	<b>47,013,465</b>	<b>-</b>	<b>47,013,465</b>	<b>39,780,106</b>	<b>1,124,400</b>	<b>40,904,506</b>	<b>6,108,959</b>	<b>7,233,358</b>	



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010  
AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.**

	2009-2010 RUPEES	2008-2009 RUPEES
<b>SCHEDULE "A"</b>		
<b>SHARE CAPITAL:</b>		
<b>AUTHORISED :</b>		
35,00,000 Equity Shares of Rs.10/- each.	35,000,000	35,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID-UP :</b>		
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>
<b>SCHEDULE "B"</b>		
<b>RESERVES AND SURPLUS :</b>		
<b>(1) CAPITAL RESERVE:</b>		
(On Forfeiture of Shares)	283,500	283,500
	<u>283,500</u>	<u>283,500</u>
<b>SCHEDULE "C"</b>		
<b>LOAN FUNDS :</b>		
<b>1. SECURED LOANS:</b>		
<b>i. From Canara Bank :</b>		
a) Cash Credit :	10,456,154	10,456,154
(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)		
b) Overdraft against Book Debts :	10,000,000	10,000,000
(Against hypothecation of Book Debts of REPOL Commodities & Collateral secured & guarantee given as stated in para 1(i) (a) above)		
<b>ii. From Gujrat State Financial Corporation :</b>		
Term Loan :	73,538,115	73,538,115
(Against Hypothecation of Land & Build., Plant & Machinery, & other Assets situated at gala no. 23,25,27 & 28 at Amli Industrial Estate- Silvassa & Personal guarantee of Directors)		
	<u>93,994,269</u>	<u>93,994,269</u>
<b>2. UNSECURED LOANS :</b>		
From Directors	1,928,367	1,673,229
From Relative of Director	829,050	797,050
	<u>2,757,417</u>	<u>2,470,279</u>
<b>TOTAL (1 + 2)</b>	<u>96,751,686</u>	<u>96,464,548</u>





	2009-2010 RUPEES	2008-2009 RUPEES
<b>SCHEDULE "I"</b>		
<b>LOANS AND ADVANCES :</b>		
(Unsecured - Considered Good )		
Loans	186,945	186,945
Advances Recoverable in Cash or in Kind or for value to be received.	1,665,462	1,696,968
Deposits (Assets)	839,851	839,851
	<b>2,692,258</b>	<b>2,723,764</b>

**SCHEDULE "J"**

**CURRENT LIABILITIES AND PROVISIONS :**

**(I) CURRENT LIABILITIES :**

i) Sundry Creditors	31,344,192	31,751,389
ii) Advances Received From Customers (Due to Micro, Small & Medium Enterprises is Rs. NIL)	2,053,872	2,053,872
	<b>33,398,064</b>	<b>33,805,261</b>

**(II) PROVISIONS :**

Provision for Taxation	236,160	236,160
	<b>33,634,224</b>	<b>34,041,421</b>

**SCHEDULE "K" : SALES**

**SALES:**

**TRADED:**

Local	-	129,600
	-	<b>129,600</b>

**SCHEDULE "L" : OTHER INCOME**

Sundry Balances W/Back (Net)	378,783	68,984
	<b>378,783</b>	<b>68,984</b>

**SCHEDULE "M" : MATERIAL COST AND INVENTORY ADJUSTMENTS**

**1. RAW MATERIAL CONSUMED :**

Opening Stock	4,183,278	4,183,278
Add : Purchases	-	-
	4,183,278	4,183,278
Less : Closing Stock	4,183,278	4,183,278
Net Consumption	-	-

**2. TRADED PURCHASE :**

Local	-	-
-------	---	---



2009-2010  
RUPEES

2008-2009  
RUPEES

**SCHEDULE "E"**

**INVESTMENTS : ( AT COST )**

**LONG TERM INVESTMENTS IN EQUITY SHARES :**

**UNQUOTED :**

**1) OTHER INVESTMENTS**

**Fully Paid-Up :**

(i) 7510 Equity Shares of Rs.10/- each of Twenty First Century Packaging Industries Ltd.*	75,100	75,100
(ii) 400 Shares of Rs. 25/- each of Shamrao Vithal Co-Op.Bank	10,000	10,000
(iii) 500 Shares of Rs.10/-each of New India Co-Op. Bank Ltd.	5,000	5,000
(iv) 40 Shares of Rs.25/-each of Punjab & Maharashtra Co-Op. Bank Ltd.	1,000	1,000
(v) 500 Shares of Rs. 10/- each of Sangli Urban Co-Op Bank Ltd.	5,000	5,000
(vi) 4 Shares of Rs.25/- each of The City Co-Op Bank Ltd.	100	100
	<b>96,200</b>	<b>96,200</b>
<i>*Less:- provisions</i>	75,100	75,100
	<b>21,100</b>	<b>21,100</b>

**SCHEDULE "F"**

**INVENTORIES :**

*(As taken, valued & certified by the Management)*

1. Raw Materials	4,183,278	4,183,278
2. Finished Goods		
(i) Product	897,081	897,081
(ii) Traded	812,450	812,450
	<b>5,892,809</b>	<b>5,892,809</b>

**SCHEDULE "G"**

**SUNDRY DEBTORS :**

*(Unsecured - Considered doubtful)*

Due for a period exceeding six months	70,132,411	70,132,411
Others	-	-
	<b>70,132,411</b>	<b>70,132,411</b>

**SCHEDULE "H"**

**CASH AND BANK BALANCES :**

Cash on hand	108,939	143,922
Bank Balance (With Scheduled Banks) :		
1. Current Account	50,271	50,271
2. Fixed Deposit Account	10,000	10,000
	<b>169,210</b>	<b>204,193</b>



## SCHEDULE "P" : "NOTES TO THE ACCOUNTS" :

### 1. SIGNIFICANT ACCOUNTING POLICIES:

The company has not carried out any business activities during the year, however it had followed accounting policies as under wherever applicable.

#### 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.



	2009-2010 RUPEES	2008-2009 RUPEES
<b>3. INVENTORY ADJUSTMENTS :</b>		
Stock at Commencement		
Finished Goods (Product)	897,081	897,081
Finished Goods (Traded)	812,450	935,682
TOTAL ( A )	<u>1,709,531</u>	<u>1,832,763</u>
Less: Stock at Close		
Finished Goods (Product)	897,081	897,081
Finished Goods (Traded)	812,450	812,450
TOTAL ( B )	<u>1,709,531</u>	<u>1,709,531</u>
TOTAL ( A - B )	<u>0</u>	<u>123,232</u>
TOTAL (1+2+3)	<u>0</u>	<u>123,232</u>

**SCHEDULE "N" : PERSONNEL COST**

Salaries, Wages, Bonus & Allow.	-	162,382
	-	<u>162,382</u>

**SCHEDULE "O" : ADMINISTRATIVE & SELLING EXPENSES**

Legal & Professional Charges	66,021	49,106
Rent Rates & Taxes	156,318	116,720
Miscellaneous Expenses	-	40
<b>Payment to Auditors</b>		
For Audit	11,030	11,030
For Taxation	-	-
For Others	<u>11,032</u>	<u>11,030</u>
Postage & Courier Expenses	22,062	22,060
Publication Expenses	17,892	16,273
	62,921	23,333
	<u>325,214</u>	<u>227,532</u>



Pradip Kothari  
Shri Suresh Iyer

- B) Other related parties  
Smt. Pushpa Devi Bothra  
Shri Manakchand Bothra

Transactions with related parties (Rs. in Lacs)

a)	Opening Bal.	Accepted during year	Repaid during year	Closing Bal.
Pushpa Bothra	7.79	Nil	Nil	7.79
Manakchand Bothra	0.18	0.32	Nil	0.50
M.K. Bothra	<u>16.73</u>	<u>2.55</u>	<u>Nil</u>	<u>19.28</u>
	<u>24.71</u>	<u>2.87</u>	<u>Nil</u>	<u>27.57</u>

- (Rs. in Lacs)
- 12) Earning per Share:
- |  | 31.03.2010 | 31.03.2009 |
|--|------------|------------|
| i) Loss after tax as per P&LA/c                                | 8.34       | 120.97     |
| ii) Weighted average number of Equity Shares outstanding (Net) | 35.00      | 35.00      |
| iii) Loss per Shares (basic & diluted)                         | 0.24       | 3.46       |
- 13) The Company has pledged FDR of Rs.10,000/- with it's bankers against bank guarantees given to Sales Tax Authorities.
- 14) 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.
- 15) Balances of Loans, Advances, Sundry Debtors, Sundry Creditors are subject to confirmation and reconciliation, if any.
- 16) Previous year's figures have been regrouped/rearranged wherever necessary.
- 17) 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 :-
- i) Licensed & Installed Capacity : Not Applicable
- ii) Actual Production :-

Item	Unit	Year Ended 31.03.2010	Year Ended 31.03.2009
Calculators	Nos.	NIL	NIL



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.

2) Contingent Liabilities not provided in respect of :-

	Year ended 31.03.2010 (Rs. In lacs)	Year ended 31.03.2009 (Rs. In Lacs)
a) Bills of exchange discounted and not matured Since realised.	90.30 NIL	90.30 NIL
b) Demand of Central Excise and Custom	165.02	165.02

3) During the year under report the company has not carried out any trading or manufacturing activity. The company has incurred substantial losses during the year and in previous year.

Despite of above, the accounts of the company are prepared on going concern basis, as the management is still 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 & GSFC Loans amounting to App. Rs. 256.46 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/GSFC 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. 256.46 lacs.
- 5) 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).
- 6) Company's banker has issued notice to company & guarantors under the securitisation Act, one of the guarantor has appealed the said notice with DRT.
- 7) 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.
- 8) No provision has been made for interest /penalty for contravention of certain fiscal statutes/rules.
- 9) 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.
- 10) During the year there is no business activity carried on by the company. As such there is no separate reportable segment under AS-17 on segment reporting.
- 11) Related Party disclosure as required by AS-18 issued by ICAI

**Relationships**

A) Directors

Shri Mahendrakumar Bothra  
Shri Dharmendra Sharma

**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      **31-03-2010**

**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**                      **Total Assets**  
**132035**                                      **132035**

Sources of Funds                      Reserves & Surplus  
Paid Up Capital                      **284**  
**35000**

Secured Loans                      Unsecured Loans  
**93994**                                      **2757**

**Application of Funds**

Net Fixed Assets                      Investments  
**5222**                                      **21**

Net Current Assets                      Misc. Expenditure  
**45252**                                      **NIL**

Deferred Tax Assets  
**NIL**

Accumulated Losses  
**81540**

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

Turnover                                      Total Expenditure  
**379**    **1213**

Profit/Loss(-) Before Tax              Profit/Loss (-) After Tax  
**(834)**    **(834)**

Earning Per Share in Rs.              Dividend Rate (%)  
**(0.24)**    **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**



B. Stock of each Finished Goods.

Item	Unit	Year Ended 31.03.2010		Year Ended 31.03.2009		Year Ended 31.03.2008	
		Qty	Amount	Qty	Amount	Qty	Amount
I) Product Calculators	Nos	15819	8.97	15819	8.97	15819	8.97
Traded Calculator/Diaries /Organiser	Nos	1111	2.24	1111	2.24	4490	3.47
Others	Nos	119629	5.88	119629	5.88	119629	5.88
			<b>17.09</b>		<b>17.09</b>		<b>18.32</b>

C. Product Sales Items	Unit	Year Ended 31.03.2010		Year Ended 31.03.2009	
		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			
			2009-2010		2008-2009		2009-2010		2008-2009	
			Qty.	Amount (in lacs)	Qty.	Amount (in lacs)	Qty.	Amount (in lacs)	Qty.	Amount (in lacs)
I)	Calculators, Diaries & Organiser	Nos.	Nil	Nil	3379	1.30	NIL	NIL	NIL	NIL
II)	Stationary	Nos.	Nil	Nil	Nil	Nil	NIL	NIL	NIL	NIL
			<b>NIL</b>		<b>1.30</b>		<b>NIL</b>		<b>NIL</b>	

E. Other information of the Para are not applicable.

For JAIN & KOTHARI  
Chartered Accountants  
Firm Regn No. 103870 W

**MAHENDRA KUMAR BOTHRA**  
MANAGING DIRECTOR

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

**DHARMENDRA SHARMA**  
DIRECTOR.

Place: Mumbai  
Dated: 02/09/2010





NET INCREASE / (DECEREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(0.35)	0.24
OPENING BALANCE CASH AND CASH EQUIVALENTS	2.04	1.80
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	1.69	2.04

As per our attached Report of even date

**For Jain & Kothari**  
**Chartered Accountants**  
**Firm Regn No. 103870 W**

**MAHENDRA KUMAR BOTHRA**  
**CHAIRMAN & MANAGING DIRECTOR**

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

**DHARMENDRA SHARMA**  
**DIRECTOR**

Place : Mumbai  
Dated: 02.09.2010

Place : Mumbai  
Dated: 02.09.2010



Cash Flow Statement Annexed to the Balance Sheet for the Year ended 31st March, 2010

	( In Laes ) AMOUNT 2009-2010	( In Laes ) AMOUNT 2008-2009
<b>A. Cash Flow from Operating Activities</b>		
NET PROFIT/(LOSS) BEFORE TAX	(8.34)	(120.87)
<b>Extraordinary items</b>		
Loss/(Profit) on Sale of Fixed Assets	0.00	0.00
Loss on Sale of Investments	0.00	0.00
Diminution in value of investment	0.00	0.00
Deferred Revenue Expenses written Off	0.00	0.00
<b>Net Profit/(Loss) Before Tax and Extra Ordinary Items</b>	<b>(8.34)</b>	<b>(120.87)</b>
<b>ADJUSTMENTS FOR :</b>		
Depreciation	8.88	11.24
Effect of Exchange Rate	0.00	0.00
Interest Paid	0.00	106.85
Interest Received	0.00	(0.43)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>0.54</b>	<b>(3.21)</b>
<b>ADJUSTMENTS FOR</b>		
Taxation for eariler year Interest	0.00	0.00
Trade and Other Receivables	(0.19)	14.40
Inventories	0.00	1.23
Trade Payabels	(3.57)	(1.79)
	<b>(3.22)</b>	<b>13.84</b>
Interest Paid	0.00	106.85
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(3.22)</b>	<b>(96.22)</b>
<b>B] CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	0.00	0.00
Sale of Fixed Assets	0.00	0.00
Sale of Investments	0.00	0.00
Purchase of Investments	0.00	0.00
Software Purchase	0.00	0.00
Interest Received	0.00	0.43
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>0.00</b>	<b>0.43</b>
<b>C] CASH FLOW FROM FINANCING ACTIVITIES</b>		
Income Tax Refund Recd.	0.00	0.00
Proceeds from Long Term Loan	2.87	96.03
Effect of Exchange Rate	0.00	0.00
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>2.87</b>	<b>96.03</b>

**PROCAL ELECTRONICS INDIA LIMITED**

Registered Address : Shop No.12, Nidhivan Shopping Centre CHS Ltd., Upper Govind Nagar, Malad (E), Mumbai – 400 097.

**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 Eighteenth Annual General Meeting of the Company at Shop No.12, Nidhivan Shopping Centre CHS Ltd., Upper Govind Nagar, Malad (E), Mumbai – 400 097. on 30th September, 2010, 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 Address : Shop No.12, Nidhivan Shopping Centre CHS Ltd., Upper Govind Nagar, Malad (E), Mumbai – 400 097.

**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 Eighteenth Annual General Meeting of the Company to be held on

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

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**  
Shop No.12, Nidhivan Shopping Centre CHS Ltd., Upper Govind Nagar,  
Malad (E), Mumbai – 400 097.