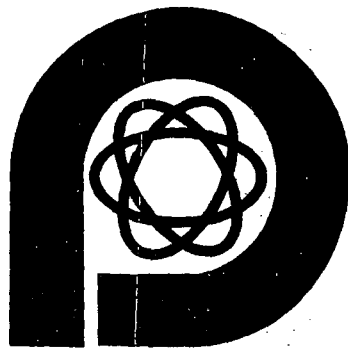


**SIXTEENTH ANNUAL REPORT**

**2007-2008**



**PROCAL ELECTRONICS INDIA LIMITED**

# **SIXTEENTH ANNUAL REPORT 2007-2008**

## **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 APARTMENT, OPP. ST. JUDE HIGH SCHOOL,  
OFF ANDHERI KURLA ROAD, JARIMARI, SAKINAKA,  
MUMBAI 400 072.

## **REGISTERED OFFICE**

FLAT NO 5, AGARSEN NAGAR, UPPER GOVIND NAGAR,  
OPP. UPVAN TOWER, MALAD - EAST,  
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.



**PROCAL ELECTRONICS INDIA LIMITED**

Regd. Office : Flat No 5, Agarsen Nagar, Upper Govind Nagar, Opp. Upvan Tower, Malad - East, Mumbai 400 097.

**NOTICE**

Notice is hereby given that the Sixteenth Annual General Meeting of the members of Procal Electronics India Limited will be held at Flat No 5, Agarsen Nagar, Upper Govind Nagar, Opp. Upvan Tower, Malad - East, Mumbai 400 097. on Tuesday, 30th September 2008, 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, 2008 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 Mahendra Kumar 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,**

**Registered Office :**  
Flat No. 5, Agarsen Nagar,  
Upper Govind Nagar,  
Opp. Upvan Tower, Malad (E),  
Mumbai 400 097.

**MAHENDRA KUMAR BOTHRA**  
**Chairman & Managing Director**

Place : Mumbai  
Date : 05/09/2008



**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors in present herewith the Sixteenth Annual Report together with the Statement of Accounts for the year ended March 31, 2008.

**FINANCIAL RESULTS**

|                                                  | <b>2007-08<br/>(Rs. in lacs)</b> | <b>2006-07<br/>(Rs. in lacs)</b> |
|--------------------------------------------------|----------------------------------|----------------------------------|
| Sales and Other Income                           | 2.37                             | 6.14                             |
| Profit/(Loss) before Depreciation                | (102.85)                         | (102.88)                         |
| Less: Depreciation                               | 14.44                            | 18.80                            |
| Profit/(Loss) before Tax                         | (117.29)                         | (121.68)                         |
| Less: Provision for FBT                          | (0.01)                           | (0.01)                           |
| Profit/(Loss) after Tax                          | (117.30)                         | (121.69)                         |
| Less Exceptional Item/Prior period adjustment    | NIL                              | NIL                              |
| Profit/(Loss) brought forward from previous year | (568.79)                         | (447.10)                         |
| Balance carried to Balance Sheet                 | (686.09)                         | (568.79)                         |

**MANAGEMENT DISCUSSION AND ANALYSIS**

a) Financial Performance and Operations Review:

Sales and other income for the year amounted to Rs 2.37 Lacs compared to Rs. 6.14 Lacs for the previous year. During the year under review, your Company has made a loss before tax of Rs. 117.29 Lacs against loss of Rs. 121.68 Lacs in the previous year.

During the year under report, the Company has not carried out any manufacturing activity. It has only carried out small activity of trading in calculators out of stock of the Company. The Company has incurred substantial cash losses during the year and in 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 sizable drop in 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 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. 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. 6 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 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 Mumbai, Stock Exchange. The Company has paid the Annual listing fees to Stock Exchanges for the year 2007-2008.

**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  
CHAIRMAN & MANAGING DIRECTOR**

Place : Mumbai  
Date:05/09/2008

**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 the 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: 05/09/2008

**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 2007-08. The last AGM of the Company was held on 31st December 2007

| 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 | 1                          | Yes                    |
| Mr. Mahendra Kumar Bothra | Managing Director      | 6                          | Yes                    |
| Mr. Dharmendra Sharma     | Non-Executive Director | 6                          | Yes                    |

\* Mr. Pradeep Kothari, was appointed as a Director of the Company in the last AGM held on 31/12/2007 to replace Mr. Dassani, due to his death.





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

| Name of the Director      | No. of other public limited<br>No. of Committees in which | Companies in which Director<br>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 2007-08. The dates on which the said meetings were held are as follows:

|                     |                    |                   |                    |
|---------------------|--------------------|-------------------|--------------------|
| 30th April, 2007    | 31st July, 2007    | 21st August, 2007 | 31st October, 2007 |
| 29th November, 2007 | 31st January, 2008 |                   |                    |

● **Notes on Directors :**

**Mr. Mahendra Kumar Bothra**

Mr. Mahendra Kumar Bothra is a Graduate in Commerce and having good technical knowledge. He has over 17 years of experience in the electronics industry.

**Mr. Suresh Kumar Iyer**

Mr. Suresh Kumar Iyer is a Graduate in Commerce and having over 12 years of experience in the electronics industry. His experience will be of immense benefit to the Company.

**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 2007-08  
There were Five meetings of the Audit Committee during the Financial Year 2007-08

| Name of the Director/Member | No. of Audit Committee mtgs attended |
|-----------------------------|--------------------------------------|
| Mr. Suresh Kumar Iyer       | 5                                    |
| Mr. Pradeep Kothari         | 1                                    |
| Mr. Dharmendra Sharma       | 5                                    |

#### 4. Remuneration to Directors

The Company has formed a remuneration committee comprising of Mr. Suresh Kumar Iyer 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 2007-08

#### 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 2 complaints/Correspondence/Query from the shareholders, regarding the non acceptance of the Annual Report, both of which are attended to. During the year 28 transfers for 4500 shares were received & except one due to discrepancies in the transfer deed, all other transfers 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

| AGM for the financial year ended | Date & time of AGM                                   | Address                                                     |
|----------------------------------|------------------------------------------------------|-------------------------------------------------------------|
| 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. |
| 31 <sup>st</sup> March, 2006     | Saturday 30 <sup>th</sup> September 2006 at 10.30 am | Navyojana Sadan, Nr. Diana Talkies, Tardeo, Mumbai 400 034. |
| 31 <sup>st</sup> March, 2005     | Saturday 30 <sup>th</sup> December 2005 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.

**8. 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 held on 20th June, 2008.

**9. 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.

**10. Shareholders Information**

AGM : Date, Time and Venue

30th September, 2008 at 10.30 a.m. at Flat No 5, Agarsen Nagar, Upper Govind Nagar, Opp. Upvan Tower, Malad - East, Mumbai 400 097.

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                                                   | 26th September 2008 to 30th September 2008                                                                                                                                                                                   |
| Dividend Payment dates(s)                                              | The Company has not declared any dividend for the financial year 2007-08                                                                                                                                                     |
| 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.<br>B-302, Sony Apartment, Opp. St.Jude High School,<br>Jarimari, Sakinaka, Andheri Mumbai 400 072.                                                                                    |
| Investors complaint may be addressed to                                | Mr. Mahendra Kumar Bothra Managing Director<br>M/s. Procal Electronics India Limited<br>Flat No.5, Agarsen Nagar, Upper Govind Nagar,<br>Opp. Upvan Tower, Malad (E), Mumbai 400 097.<br>E-mail: 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.<br>B-302, Sony Apartment,<br>Opp. St.Jude High School,<br>Jarimari Sakinaka<br>Andheri Mumbai 400 072<br>TEL NO 022-28520461/62<br>FAX NO 022-28511809<br>EMAIL : service@scspl.net   |
| Distribution of Shareholding/Shareholding Pattern as on 31.03.2007     | 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.<br><br>Please see Annexure 'B'                               |
| Dematerialization of Shares                                            | 70.44 % of the paid-up share capital has been dematerialized as on 31st March, 2008                                                                                                                                          |
| 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 instruments etc                             | Registered Office given in the 1st page of this Annual Report.<br>instruments are ever issued.                                                                                                                               |
| Plant Location                                                         | Given in the 1 <sup>st</sup> 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 2007-08 is furnished below:

| Year | Month     | Highest (Rs.) | Lowest (Rs.) |      |
|------|-----------|---------------|--------------|------|
| 2007 | April     | 2.98          | 2.76         |      |
|      | May       | 2.63          | 2.30         |      |
|      | June      | 2.29          | 1.54         |      |
|      | July      | 2.40          | 1.62         |      |
|      | August    | 2.40          | 1.98         |      |
|      | September | 2.73          | 2.08         |      |
|      | October   | 2.36          | 2.10         |      |
|      | November  | 3.66          | 2.13         |      |
|      | December  | 4.68          | 2.96         |      |
|      | 2008      | January       | 5.90         | 2.42 |
|      |           | February      | 2.63         | 1.83 |
|      |           | March         | 2.09         | 1.36 |

**Annuxure B**

The distribution of shareholding as on 31<sup>st</sup> March 2008 is as follows:

| No. of equity shares held | No. of shareholders | %       | No. of shares | %      |
|---------------------------|---------------------|---------|---------------|--------|
| Upto 250                  | 3,038               | 67.242  | 4,156,89      | 11.877 |
| 251 to 500                | 782                 | 17.309  | 3,234,49      | 9.241  |
| 501 to 1000               | 392                 | 8.676   | 3,501,23      | 10.004 |
| 1001 to 2000              | 139                 | 3.077   | 2,140,18      | 6.115  |
| 2001 to 3000              | 54                  | 1.195   | 1,368,04      | 3.909  |
| 3001 to 4000              | 21                  | 0.465   | 754,08        | 2.155  |
| 4001 to 5000              | 30                  | 0.664   | 1,437,12      | 4.106  |
| 5001 to 10000             | 28                  | 0.620   | 2,027,08      | 5.792  |
| 10001 & above             | 34                  | 0.753   | 16,380,89     | 46.803 |
| Grand Total               | 4,518               | 100.000 | 35,00,000     | 100.00 |
| No. in Physical Mode      |                     |         | 10,346,10     | 29.56  |
| No. in Electronic Mode    |                     |         | 24,65,390     | 70.44  |

Shareholding pattern as on 31<sup>st</sup> March 2008 is as follows:

| Category                      | No. of Shareholders | No. of Shares | % holding |
|-------------------------------|---------------------|---------------|-----------|
| Indian Promoters              | 21                  | 1114964       | 31.86     |
| Banks and Insurance Companies | -                   | -             | -         |
| UTI and Mutual Funds          | -                   | -             | -         |
| FII's and NRI's               | 41                  | 123822        | 3.54      |
| Domestic Companies            | 80                  | 162405        | 4.64      |
| Resident Individuals          | 4358                | 2068096       | 59.09     |
| Clearing Member               | 1                   | 10600         | 0.30      |
| Hindu Undivided Family        | 17                  | 20113         | 0.57      |
| Total                         | 4518                | 3500000       | 100.00    |



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of **PROCALELECTRONICSINDIALIMITED.**

We have examined the compliance of conditions of corporate governance by **PROCAL ELECTRONICS INDIA LIMITED** for the year ended 31st March 2008, 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, 2008 no investor grievances are pending exceeding one month against the Company as on 31st March, 2008 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: 05/ 09/2008



**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)

**AUDITO'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, 2008, 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 statements 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 statements 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, 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 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 substantial business activities.*
  - (ii) *Note No. 4 with regard to non provision of interest on loans taken from Banks app. of Rs. 99.71 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, 2008 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 : 05/09/2008

**(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, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are adequate 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.
- 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. 35.52 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.



- 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 31<sup>st</sup> March, 2008 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 |
| c)  | Gujrat Sales Tax       | 6,806/-      | Y.E.31.3.03    | 26.04.2003 | ----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 | 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        | 628.53                |

(\* 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 : 05/09/2008

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



BALANCE SHEET AS AT 31ST MARCH-2008

|                                                  | SCHEDULE | AS ON 31.03.2008  |                    | AS ON 31.03.2007  |                    |
|--------------------------------------------------|----------|-------------------|--------------------|-------------------|--------------------|
|                                                  |          | Rs.               | Rs.                | Rs.               | Rs.                |
| <b>SOURCES OF FUNDS</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        | 83,309,244        |                    | 74,176,744        |                    |
| Unsecured Loans                                  |          | <u>3,552,035</u>  |                    | <u>3,452,590</u>  |                    |
|                                                  |          |                   | 86,861,279         |                   | 77,629,334         |
|                                                  |          |                   | <u>122,144,779</u> |                   | <u>112,912,834</u> |
| <b>APPLICATION OF FUNDS</b>                      |          |                   |                    |                   |                    |
| <b>Fixed Assets</b>                              |          |                   |                    |                   |                    |
| Gross Block                                      | D        | 47,013,465        |                    | 47,013,465        |                    |
| Less : Depreciation                              |          | <u>39,780,107</u> |                    | <u>38,335,972</u> |                    |
| Net Block                                        |          |                   | 7,233,358          |                   | 8,677,493          |
| <b>Investments</b>                               |          |                   |                    |                   |                    |
|                                                  | E        |                   | 21,100             |                   | 21,100             |
| <b>Current Assets, Loans &amp; Advances</b>      |          |                   |                    |                   |                    |
| Inventories                                      | F        | 6,016,041         |                    | 6,234,491         |                    |
| Sundry Debtors                                   | G        | 71,506,608        |                    | 71,506,608        |                    |
| Cash and Bank Balances                           | H        | 179,745           |                    | 78,550            |                    |
| Loans and Advances                               | I        | <u>2,789,472</u>  |                    | <u>3,129,741</u>  |                    |
|                                                  |          | 80,491,866        |                    | 80,949,390        |                    |
| <b>Less : Current Liabilities and Provisions</b> |          |                   |                    |                   |                    |
| Current Liabilities                              | J        | 33,974,043        |                    | 33,993,761        |                    |
| Provisions                                       |          | <u>237,160</u>    |                    | <u>238,460</u>    |                    |
| Net Current Assets                               |          |                   | 46,280,663         |                   | 46,717,169         |
| <b>Miscellaneous Expenditure</b>                 |          |                   |                    |                   |                    |
| (to the extent not written-off or adjusted)      | K        |                   |                    |                   | 617,558            |
| <b>Profit &amp; Loss Account</b>                 |          |                   |                    |                   |                    |
|                                                  |          |                   | <u>68,609,658</u>  |                   | <u>56,879,514</u>  |
|                                                  |          |                   | <u>122,144,779</u> |                   | <u>112,912,834</u> |
| <b>Notes to the Accounts</b>                     |          |                   |                    |                   |                    |
| <i>As per our attached report of even date</i>   |          |                   |                    |                   |                    |

For JAIN & KOTHARI  
Chartered Accountants

(B.L.JAIN)  
Partner  
MN-45568  
PLACE MUMBAI  
DATE September 05,2008

MAHENDRA KUMAR BOTHRA  
CHAIRMAN & MANAGING DIRECTOR

DHARMENDRA SHARMA  
DIRECTOR

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH' 2008**

| PARTICULARS                                              | Sch<br>dule | FOR THE YEAR<br>ENDED 31.03.2008 |                     | FOR THE YEAR<br>ENDED 31.3.2007 |                     |
|----------------------------------------------------------|-------------|----------------------------------|---------------------|---------------------------------|---------------------|
|                                                          |             | RS.                              | RS.                 | RS.                             | RS.                 |
| <b>1. INCOME</b>                                         |             |                                  |                     |                                 |                     |
| Sales                                                    | L           | 245,000                          |                     | 229,198                         |                     |
| LESS : Sales Tax                                         |             | <u>9,800</u>                     | 235,200             | <u>8,815</u>                    | 220,383             |
| Other Income                                             | M           |                                  | 1,938               |                                 | 393,127             |
|                                                          |             |                                  | <u>237,138</u>      |                                 | <u>613,510</u>      |
| <b>2. EXPENDITURE</b>                                    |             |                                  |                     |                                 |                     |
| Material Cost and Inventory Adjustment                   | N           |                                  | 218,450             |                                 | 122,095             |
| Personnel Cost                                           | O           |                                  | 165,382             |                                 | 156,550             |
| Administrative and Selling Expenses                      | P           |                                  | 962,732             |                                 | 1,701,690           |
| Finance Charges                                          |             |                                  | 9,175,592           |                                 | 8,921,477           |
| Depreciation                                             |             |                                  | 1,444,133           |                                 | 1,880,140           |
|                                                          |             |                                  | <u>11,966,289</u>   |                                 | <u>12,781,952</u>   |
| <b>3.PROFIT /(LOSS) BEFORE TAXATION (1-2)</b>            |             |                                  | (11,729,151)        |                                 | (12,168,442)        |
| <b>4.PROVISION FOR F.B.T.</b>                            |             |                                  |                     |                                 |                     |
| Current Year                                             |             |                                  | (1,000)             |                                 | (2,300)             |
| Earlier Year                                             |             |                                  | 7                   |                                 | 850                 |
| <b>5. LOSS AFTER TAX (3-4)</b>                           |             |                                  | (11,730,144)        |                                 | (12,169,892)        |
| <b>6. BALANCE BROUGHT FORWARD</b>                        |             |                                  | (56,879,514)        |                                 | (44,709,622)        |
| <b>7. BALANCE CARRIED FORWARD TO BALANCE SHEET (5+6)</b> |             |                                  | <u>(68,609,658)</u> |                                 | <u>(56,879,514)</u> |
| <b>8.BASIC EARNING PER SHARE</b>                         |             |                                  | (3.35)              |                                 | (3.48)              |

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 : 05/09/2008

**DHARMENDRA SHARMA**  
Director



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008  
AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2007-2008<br>RUPEES | 2006-2007<br>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          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>35,000,000</b>   | <b>35,000,000</b>   |
| <b>SCHEDULE "B"</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |                     |
| <b>RESERVES AND SURPLUS:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                     |                     |
| <b>(1) CAPITAL RESERVE:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |                     |
| (On Forfeiture of Shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 283,500             | 283,500             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>283,500</b>      | <b>283,500</b>      |
| <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          |
| <i>(Against Hypothecation of stocks of raw materials, finished goods &amp; Semi-finished goods of Electronic Calculators &amp; Electrical Items and book debts and also collaterally secured by hypothecation of plant &amp; machinery, EMT of Gala number 44 &amp; 45 at Pragati Industrial Est. Silvassa (&amp; residential bungalow of relatives of Directors in previous year) &amp; land at Daman belonging to a group Company of a debtor and Corporate Guarantee by it and guarantee by Directors)</i> |                     |                     |
| b) Overdraft against Book Debts :                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 10,000,000          | 10,000,000          |
| <i>( Against hypothecation of Book Debts of REPOL Commodities &amp; Collateral secured &amp; gurantee given as stated in para 1 (i) (a) above )</i>                                                                                                                                                                                                                                                                                                                                                           |                     |                     |
| <b>ii. From Gujrat State Financial Corporation :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                     |                     |
| Term Loan :                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 62,853,090          | 53,720,590          |
| <i>(Against Hypothecation of Land &amp; Build. Plant &amp; Machinery, &amp; other Assets situated at gala no. 23,25,27 &amp; 28 at Aml Industrial Estate- Silvassa &amp; Personal guarantee of Directors)</i>                                                                                                                                                                                                                                                                                                 |                     |                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>83,309,244</b>   | <b>74,176,744</b>   |
| <b>2. UNSECURED LOANS:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                     |                     |
| From Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 13,99,535           |                     |
| • From Relative of Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2,152,500           | 2,152,500           |
| From Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                     | 1,300,090           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>3,552,035</b>    | <b>3,452,590</b>    |
| <b>TOTAL (1 + 2)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>86,861,279</b>   | <b>77,629,334</b>   |

**SCHEDULE "D" : FIXED ASSETS**

| S<br>R<br>N<br>O | Description of<br>Assets                                         | GROSS BLOCK             |                                 |                              | DEPRECIATION            |                    |                              | NET BLOCK            |                        |
|------------------|------------------------------------------------------------------|-------------------------|---------------------------------|------------------------------|-------------------------|--------------------|------------------------------|----------------------|------------------------|
|                  |                                                                  | As on<br>31-03-2007     | Additions<br>During<br>the Year | Total<br>As on<br>31-03-2008 | Up to<br>31-03-2007     | For the<br>Year    | Total<br>As on<br>31-03-2008 | As on<br>31-03-2008  | As on<br>31-03-2007    |
| 1.               | Land : Freehold                                                  | 457,048                 | -                               | 457,048                      | -                       | -                  | -                            | 457,048              | 457,048                |
| 2.               | Factory Buildings                                                | 8,741,537               | -                               | 8,741,537                    | 4,972,999               | 376,854            | 5,349,853                    | 3,391,684            | 3,768,538              |
| 3.               | Plant & Mach.<br>(a) Plant & M/c.<br>(b) Dies, Moulds &<br>Tools | 6,493,558<br>26,687,021 | -<br>-                          | 6,493,558<br>26,687,021      | 5,385,194<br>24,012,528 | 154,173<br>802,348 | 5,539,367<br>24,814,876      | 954,191<br>1,872,145 | 1,108,364<br>2,674,493 |
| 4.               | Other Equipment<br>(a) Other Equip.<br>(b) Computers             | 1,389,243<br>1,115,258  | -<br>-                          | 1,389,243<br>1,115,258       | 993,496<br>1,097,728    | 55,052<br>7,012    | 1,048,521<br>1,104,740       | 340,722<br>10,518    | 395,774<br>17,530      |
| 5.               | Furniture & Fix.                                                 | 1,686,128               | -                               | 1,686,128                    | 1,461,251               | 40,703             | 1,501,954                    | 184,174              | 224,877                |
| 6.               | Vehicles                                                         | 443,672                 | -                               | 443,672                      | 412,805                 | 7,991              | 420,796                      | 22,876               | 30,867                 |
|                  | <b>TOTAL</b>                                                     | <b>47,013,465</b>       | <b>-</b>                        | <b>47,013,465</b>            | <b>38,335,974</b>       | <b>1,444,133</b>   | <b>39,780,107</b>            | <b>7,233,358</b>     | <b>8,677,493</b>       |
|                  | <b>Previous year</b>                                             | <b>47,013,465</b>       | <b>-</b>                        | <b>47,013,465</b>            | <b>36,455,832</b>       | <b>1,880,140</b>   | <b>38,335,972</b>            | <b>8,677,493</b>     | <b>10,557,632</b>      |



|                                                                                              | 2007-2008<br>RUPEES | 2006-2007<br>RUPEES |
|----------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE "E"</b>                                                                          |                     |                     |
| <b>INVESTMENTS : (AT COST)</b>                                                               |                     |                     |
| <b>LONG TERM INVESTMENTS IN EQUITY SHARES :</b>                                              |                     |                     |
| <b>LUNQUOTED :</b>                                                                           |                     |                     |
| <b>1) OTHER INVESTMENTS</b>                                                                  |                     |                     |
| Fully Paid-Up :                                                                              |                     |                     |
| (i) 7510 Equity Shares of Rs.10/- each<br>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>       |
| <b>*Less:- provisions</b>                                                                    | <b>75,100</b>       | <b>75,100</b>       |
|                                                                                              | <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       | 935,682          | 1,154,132        |
|                   | <b>6,016,041</b> | <b>6,234,491</b> |

**SCHEDULE "G"**

**SUNDRY DEBTORS :**

(Unsecured - Considered doubtful)

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| Due for a period exceeding six months | 71,506,608        | 71,506,608        |
| Others                                | -                 | -                 |
|                                       | <b>71,506,608</b> | <b>71,506,608</b> |

**SCHEDULE "H"**

**CASH AND BANK BALANCES :**

|                                       |                |               |
|---------------------------------------|----------------|---------------|
| Cash on hand                          | 165,132        | 68,352        |
| Bank Balance (With Scheduled Banks) : |                |               |
| 1. Current Account                    | 4,613          | 198           |
| 3. Fixed Deposit Account              | 10,000         | 10,000        |
|                                       | <b>179,745</b> | <b>78,550</b> |





|                                                                                               | 2007-2008<br>RUPEES | 2006-2007<br>RUPEES |
|-----------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE "I"</b>                                                                           |                     |                     |
| <b>LOANS AND ADVANCES :</b>                                                                   |                     |                     |
| <i>(Unsecured - Considered Good)</i>                                                          |                     |                     |
| Loans                                                                                         | 186,945             | 1,192,575           |
| Advances Recoverable in Cash or in Kind or<br>for value to be received.                       | 1,721,116           | 1,055,755           |
| Deposits (Assets)                                                                             | 881,411             | 881,411             |
|                                                                                               | <b>2,789,472</b>    | <b>3,129,741</b>    |
| <b>SCHEDULE "J"</b>                                                                           |                     |                     |
| <b>CURRENT LIABILITIES AND PROVISIONS :</b>                                                   |                     |                     |
| <b>(I) CURRENT LIABILITIES :</b>                                                              |                     |                     |
| i) Sundry Creditors                                                                           | 31,920,171          | 31,939,889          |
| ii) Advances Received From Customers<br>(Due to Micro, Small & Medium Enterprises is Rs. NIL) | 2,053,872           | 2,053,872           |
|                                                                                               | <b>33,974,043</b>   | <b>33,993,761</b>   |
| <b>(II) PROVISIONS :</b>                                                                      |                     |                     |
| Provision for Taxation                                                                        | 237,160             | 238,460             |
|                                                                                               | <b>34,211,203</b>   | <b>34,232,221</b>   |
| <b>SCHEDULE "K"</b>                                                                           |                     |                     |
| <b>MISCELLANEOUS EXPENDITURE</b>                                                              |                     |                     |
| <i>(to the extent not written-off or adjusted)</i>                                            |                     |                     |
| Deffered Revenue Expenditure (Software)                                                       | -                   | 617,558             |
|                                                                                               | -                   | <b>617,558</b>      |
| <b>SCHEDULE "L" : SALES</b>                                                                   |                     |                     |
| <b>SALES:</b>                                                                                 |                     |                     |
| <b>TRADED:</b>                                                                                |                     |                     |
| Local                                                                                         | 245,000             | 229,198             |
|                                                                                               | <b>245,000</b>      | <b>229,198</b>      |
| <b>SCHEDULE "M" : OTHER INCOME</b>                                                            |                     |                     |
| Dividend                                                                                      | 1,938               | 2,535               |
| Sundry Debit/Credit Balance w/off/back                                                        | -                   | 337,904             |
| Bad debt recovered                                                                            | -                   | 52,500              |
|                                                                                               | <b>1,938</b>        | <b>393,127</b>      |
| <b>SCHEDULE "N" : MATERIAL COST AND INVENTORY ADJUSTMENTS</b>                                 |                     |                     |
| <b>1. RAW MATERIAL CONSUMED :</b>                                                             |                     |                     |
| Opening Stock                                                                                 | 4,183,278           | 4,183,278           |
| Add : Purchases                                                                               | -                   | -                   |
|                                                                                               | <b>4,183,278</b>    | <b>4,183,278</b>    |
| Less : Closing Stock                                                                          | 4,183,278           | 4,183,278           |
| Net Consumption                                                                               | -                   | -                   |



|                                   | 2007-2008<br>RUPEES | 2006-2007<br>RUPEES |
|-----------------------------------|---------------------|---------------------|
| <b>2. TRADED PURCHASE :</b>       |                     |                     |
| Local                             | -                   | -                   |
| <b>3. INVENTORY ADJUSTMENTS :</b> |                     |                     |
| Stock at Commencement             |                     |                     |
| Finished Goods (Product)          | 897,081             | 897,081             |
| Finished Goods (Traded)           | 1,154,132           | 1,276,227           |
| <b>TOTAL ( A )</b>                | <b>2,051,213</b>    | <b>2,173,308</b>    |
| Stock at Close                    |                     |                     |
| Finished Goods (Product)          | 897,081             | 897,081             |
| Finished Goods (Traded)           | 935,682             | 1,154,132           |
| <b>TOTAL ( B )</b>                | <b>1,832,763</b>    | <b>2,051,213</b>    |
| <b>TOTAL ( A - B )</b>            | <b>218,450</b>      | <b>122,095</b>      |
| <b>TOTAL (1+2+3)</b>              | <b>218,450</b>      | <b>122,095</b>      |

**SCHEDULE "O" : PERSONNEL COST**

|                                 |                |                |
|---------------------------------|----------------|----------------|
| Salaries, Wages, Bonus & Allow. | 165,382        | 156,550        |
|                                 | <b>165,382</b> | <b>156,550</b> |

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

|                                            |                |                  |
|--------------------------------------------|----------------|------------------|
| Electricity Expenses                       | -              | 10,517           |
| Telephone & Telex                          | -              | 174              |
| Printing & Stationary                      | 27,086         | 28,119           |
| Travelling & Conveyance                    | -              | 14,426           |
| Legal & Professional Charges               | 147,584        | 85,215           |
| Rent Rates & Taxes                         | 71,208         | 117,800          |
| Miscellaneous Expenses                     | 3              | 101,766          |
| Payment to Auditors                        |                |                  |
| For Audit                                  | 28,090         | 28,090           |
| For Taxation                               | 16,854         | 16,854           |
| For Others                                 | 11,236         | 61,780           |
| Postage & Courier Expenses                 | 25,000         | 19,793           |
| Deffered Revenue Expenses W/off (Software) | 617,558        | 1,244,126        |
| Publicity Expenses                         | 18,113         | 17,974           |
|                                            | <b>962,732</b> | <b>1,701,690</b> |



**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.

## 2) **Contingent Liabilities not provided in respect of: -**

|                                                                    | Year ended<br>31.03.2008<br>(Rs. In lacs) | Year ended<br>31.03.2007<br>(Rs. In Lacs) |
|--------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| a) Bills of exchange discounted and not matured<br>Since realised. | 90.30<br>NIL                              | 90.30<br>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 manufacturing activity. It has only carried out small activity of trading in calculators out of stock of the Company. The Company has incurred substantial cash 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 Loans amounting to App. Rs. 99.71 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. 99.71 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 /virtualcertainty the Company has not recognised the deferred taxes Assets on account of brought forward/current year losses and depreciation differences.
- 10) 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.
- 11) Related Party disclosure as required by AS-18 issued by ICAI



**Relationships**

**A) Directors**

Shri Mahendrakumar Bothra  
Shri Dharmendra Sharma  
Shri Pradeep Kothari  
Shri Suresh Iyer

**B) Other related parties**

Smt. Pushpa Devi Bothra

**Transactions with related parties**

a) Balance payable for the year end of Rs. 35.52 Lacs

(Rs. in Lacs)

- |                                                                | 31.03.2008 | 31.03.2007 |
|----------------------------------------------------------------|------------|------------|
| 12) <u>Earning per Share:</u>                                  |            |            |
| i) Loss after tax as per P&L A/c                               | 117.30     | 121.7      |
| ii) Weighted average number of Equity Shares outstanding (Net) | 35.00      | 35.00      |
| iii) Loss per Shares ( basic & diluted)                        | 3.35       | 3.48       |
- 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<br>31.03.2008 | Year Ended<br>31.03.2007 |
|-------------|------|--------------------------|--------------------------|
| Calculators | Nos. | NIL                      | NIL                      |



B. Stock of each Finished Goods.

| Item                                 | Unit | (Amt. In Lacs)        |        | (Amt. In Lacs)        |        | (Amt. In Lacs)        |        |
|--------------------------------------|------|-----------------------|--------|-----------------------|--------|-----------------------|--------|
|                                      |      | Year Ended 31.03.2008 |        | Year Ended 31.03.2007 |        | Year Ended 31.03.2006 |        |
|                                      |      | Qty                   | Amount | Qty                   | Amount | Qty                   | Amount |
| I) Product Calculators               | Nos  | 15819                 | 8.97   | 15819                 | 8.97   | 15819                 | 8.97   |
| Traded Calculator/Diaries /Organiser | Nos  | 4490                  | 3.47   | 9800                  | 5.66   | 11818                 | 6.88   |
| Others                               | Nos  | 119629                | 5.88   | 119629                | 5.88   | 119629                | 10.59  |
|                                      |      |                       | 18.32  |                       | 20.51  |                       | 21.73  |

C. Product Sales

| Items      | Unit | Qty. | Year Ended 31.03.2008 | Year Ended 31.03.2007 |
|------------|------|------|-----------------------|-----------------------|
|            |      |      | Amount (In Lacs)      | Amount (In Lacs)      |
| Calculator | Nos. | NIL  | NIL                   | NIL                   |

D. Sales and Purchases of Traded Goods :-

| Sr. No. | Item                             | Unit | SALES     |                  |           |                  | PURCHASES |                  |           |                  |
|---------|----------------------------------|------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|
|         |                                  |      | 2007-2008 |                  | 2006-2007 |                  | 2007-2008 |                  | 2006-2007 |                  |
|         |                                  |      | Qty.      | Amount (in lacs) | Qty.      | Amount (in lacs) | Qty.      | Amount (in lacs) | Qty.      | Amount (in lacs) |
| I)      | Calculators, Diaries & Organiser | Nos. | 5310      | 2.45             | 2018      | 2.29             | NIL       | NIL              | NIL       | NIL              |
| II)     | Stationary                       | Nos. | Nil       | Nil              | Nil       | Nil              | NIL       | NIL              | NIL       | NIL              |
|         |                                  |      | 2.45      |                  | 2.29      |                  | NIL       |                  | NIL       |                  |

E. Other information of the Para are not applicable.

For JAIN & KOTHARI  
Chartered Accountants

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

Place: Mumbai

MAHENDRA KUMAR BOTHRA  
MANAGING DIRECTOR

DHARMENDRA SHARMA  
DIRECTOR.

**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 **31-03-2008**

**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 |
| 122145            | 122145       |

*Sources of Funds*

|                 |                    |
|-----------------|--------------------|
| Paid Up Capital | Reserves & Surplus |
| <b>35000</b>    | <b>284</b>         |
| Secured Loans   | Unsecured Loans    |
| <b>83309</b>    | <b>3552</b>        |

*Application of Funds*

|                     |                   |
|---------------------|-------------------|
| Net Fixed Assets    | Investments       |
| <b>7233</b>         | <b>21</b>         |
| Net Current Assets  | Misc. Expenditure |
| <b>46281</b>        | <b>NIL</b>        |
| Deferred Tax Assets |                   |
| <b>NIL</b>          |                   |
| Accumulated Losses  |                   |
| <b>68610</b>        |                   |

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

|                           |                           |
|---------------------------|---------------------------|
| Turnover                  | Total Expenditure         |
| <b>237</b>                | <b>11966</b>              |
| Profit/Loss(-) Before Tax | Profit/Loss (-) After Tax |
| <b>(11729)</b>            | <b>(11730)</b>            |
| Earning Per Share in Rs.  | Dividend Rate (%)         |
| <b>(3.35)</b>             | <b>NIL</b>                |

**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, 2008

|                                                              | ( In Lacs )<br>AMOUNT<br>2007-2008 | ( In Lacs )<br>AMOUNT<br>2006-20067 |
|--------------------------------------------------------------|------------------------------------|-------------------------------------|
| <b>A. Cash Flow from Operating Activities</b>                |                                    |                                     |
| NET PROFIT/(LOSS) BEFORE TAX                                 | (117.29)                           | (121.68)                            |
| <u>Extraordinary items</u>                                   |                                    |                                     |
| 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                                |
| Deffered Revenue Expenditure Written Off                     | 6.18                               | 12.44                               |
|                                                              | 6.18                               | 12.44                               |
| <b>Net Profit/(Loss) Before Tax and Extra Ordinary Items</b> | <b>(111.11)</b>                    | <b>(109.24)</b>                     |
| <u>ADJUSTMENTS FOR :</u>                                     |                                    |                                     |
| Depreciation                                                 | 14.44                              | 18.80                               |
| Effect of Exchange Rate                                      | 0.00                               | 0.00                                |
| Interest Paid                                                | 92.18                              | 89.63                               |
| Interest Received                                            | (0.43)                             | (0.42)                              |
|                                                              | 106.19                             | 108.01                              |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>       | <b>(4.92)</b>                      | <b>(1.23)</b>                       |
| <u>ADJUSTMENTS FOR</u>                                       |                                    |                                     |
| Taxation for earlier year Interest                           | 0.00                               | 0.00                                |
| Trade and Other Receivables                                  | (10.60)                            | 5.70                                |
| Inventories                                                  | 2.18                               | 1.22                                |
| Trade Payables                                               | 13.58                              | (6.34)                              |
|                                                              | 5.16                               | (6.34)                              |
|                                                              | 0.24                               | 5.11                                |
| Interest Paid                                                | 92.18                              | 89.63                               |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                    | <b>(91.94)</b>                     | <b>(84.52)</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                                            | 0.43                               | 0.42                                |
|                                                              | 0.43                               | 0.42                                |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                 | <b>0.43</b>                        | <b>0.42</b>                         |





**C] CASH FLOW FROM FINANCING ACTIVITIES**

|                                                                       |                     |                     |
|-----------------------------------------------------------------------|---------------------|---------------------|
| Income Tax Refund Recd.                                               | 0.00                | 0.00                |
| Proceeds from Long Term Loan                                          | 92.53               | 83.89               |
| Effect of Exchange Rate                                               | 0.00                | 0.00                |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                          | <b><u>92.52</u></b> | <b><u>83.89</u></b> |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b> | <b>1.02</b>         | <b>(0.21)</b>       |
| <b>OPENING BALANCE CASH AND CASH EQUIVALENTS</b>                      | <b>0.78</b>         | <b>1.00</b>         |
| <b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>                   | <b>1.80</b>         | <b>0.79</b>         |

As per our attached Report of even date.

For **Jain & Kothari**  
**Chartered Accountants**

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

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

**DHARMENDRA SHARMA**  
**DIRECTOR**

Place : Mumbai  
Dated : 05/09/2008

**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 Sixteenth Annual General Meeting of the Company at Flat No 5, Agarsen Nagar, Upper Govind Nagar, Opp. Upvan Tower, Malad - East, Mumbai 400 097 on 30th September, 2008, Tuesday, 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.

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**PROCAL ELECTRONICS INDIA LIMITED**  
Registered Office: Flat No 5, Agarsen Nagar, Upper Govind Nagar, Opp. Upvan Tower,  
Malad - East, 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 Sixteenth Annual General Meeting of the Company to be held on

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2007.

Reg. Folio No. \_\_\_\_\_

\* Client ID No. \_\_\_\_\_

\* DP ID No. \_\_\_\_\_

30 paise  
Revenue  
Stamp to  
be Affixed

BOOK - POST

IF UNDELIVERED PLEASE RETURN TO :  
**PROCAL ELECTRONICS INDIA LIMITED**  
FLAT NO 5, AGARSEN NAGAR, UPPER GOVIND NAGAR, OPP. UPVAN TOWER,  
MALAD - EAST, MUMBAI 400 097.