

SKS

Report  Junction.com

Annual Report 1998-99

SKS Ltd.

Annual Report 1998-99

SKS Ltd.

BOARD OF DIRECTORS

Shri S.K. Chhiber
Lt.Gen.Sagat Singh (Retd.) PVSM
Shri Surendra Dube
Shri B.P.Sinha
Shri Arvind Saraf, Managing Director

AUDITORS

Shwetank Joshi & Co.
Chartered Accountants
66 Ezra Street,
Calcutta - 700 001.

BANKERS

United Bank of India
Allahabad Bank

REGISTERED OFFICE

B-II/99,
Mohan Co-Operative Industrial Estate,
Badarpur,
New Delhi - 110 044.

CONTENTS

Notice
Director's Report
Auditors' Report
Balance Sheet
Profit & Loss A/c
Schedules
Auditors Report-
on Cash Flow Statement
Cash Flow Statement
Proxy Form

WORKS

B-II/99 & 97,
Mohan Co-Operative Industrial Estate,
Badarpur,
New Delhi - 110 044.

WATER TRANSPORT DIVISION

Sector-7,
Vashi,
New Mumbai - 400 703.

Annual Report 1998-99**SKS Ltd.****SKS LTD.**

Regd. B-II/99, Mohan Co-Operative Industrial Estate, Badarpur, New Delhi - 110 044.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eighteenth Annual General Meeting of the members of SKS Ltd. will be held on Thursday, the 9th September, 1999 at 11.00 A.M. at Mittal Farms, Mehrauli Gurgaon Road, Near Ahinsa Sthal, Mehrauli, New Delhi-110 030 to transact the following business.

ORDINARY BUSINESS

1. Adoption of Annual Accounts for 1998-99

To receive, consider and adopt the Audited Balance Sheet as on 31-03-1999 and Profit & Loss Account of the company for the year ended 31-03-1999 together with the reports of Directors and Auditors thereon and to pass, if agreed the following resolution :

"Resolved that the Profit & Loss Account for the year ended 31st March, 1999 and the Balance Sheet as on date and the Director Report and Auditor's Report thereon be and are hereby received considered and adopted"

2. Reappointment of Company Director

To Consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"Resolved that Shri Surendra Dube, Director who retires by rotation and is eligible for reappointment, be and is hereby reappointed Director of the Company"

3. Reappointment of Company Auditors

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution.

"Resolved that M/s. Shwetank Joshi & Company, Chartered Accountants, 66, Ezra Street, Calcutta-700001, the retiring Auditors who have offered their services and who are not disqualified to act as Auditors of the Company under section 224(1B) of the Companies Act 1956, be and are hereby reappointed Auditors of the Company to hold office for the period from the conclusion of the 18th Annual General Meeting to the conclusion of the 19th Annual General meeting on such remuneration as may be fixed by the Board."

4. Special Business

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution

"Resolution that in accordance with the provisions of Section 257 and all other applicable provisions, if any of the Company Act 1956 Mr. B.P. Sinha who was appointed as an Additional Director of the Company and who hold office upto this meeting under section 260 of the Company Act 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotations.

By Order of the Board
For SKS Ltd.

Place : Calcutta
Date : 22nd June, 1999

(Arvind Saraf)
Managing Director

Annual Report 1998-99

SKS Ltd.

ANNEXTURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.4

At the Board Meeting held on 31st March, 1999 Mr. B.P.Sinha was appointed as Additional Director of the Company. He holds office upto the date of this Annual General Meeting of the Company.

Mr. B.P.Sinha is a post graduate and is of 64 years of age. He has rich experience in trade and commerce. He has held several important position in various organisations.

In view of his vast experience the Board feels that Mr.B.P.Sinha is proper person to be appointed as Director of the Company and commends the resolution for approval of the members. He is eligible for appointment as a Director of the Company. The required deposit, together with the requisite notice in writing has been received.

By Order of the Board
For SKS Ltd.

Place: Calcutta

Dated : 22nd June, 1999

(Arvind Saraf)
Managing Director

NOTES :

(1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. The proxy representation must be registered at the Regd. Office of the Company at least not less than 48 hours before the meeting.

(2) The Register of members & Share Transfer Books of the Company will remain closed from Wednesday, the 8th September 1999 to Thursday the 9th September, 1999 (both days inclusive).

(3) Members who have multiple accounts are requested to intimate the company the L.F.Nos. of such accounts to enable the Company to consolidate all shareholding into one account.

(4) Member desirous of getting any information from the company are requested to send their queries to the company its Regd. Office well in advance so that the same may reach atleast 7 days before the date of meeting to enable the management to keep the information required readily available at the meeting.

(5) Please bring the admission slip duly filled-in and hand over the same at the entrance of the meeting hall.

(6) Members Proxies are requested to bring copy of the Annual Report with them as no extra copies will be distributed at the meeting.

IN VIEW OF THE CENTRAL GOVERNMENT GUIDELINES NO GIFT WILL BE DISTRIBUTED AT THE MEETING

Annual Report 1998-99

SKS Ltd.

DIRECTOR'S REPORT

TO THE SHAREHOLDERS

Your Directors present the Annual Report and Audited Accounts of the Company for the year ended 31st March 1999

FINANCIAL RESULTS

The financial results of the company as disclosed in the said accounts, are as follows :

	(Rs. in Laes)	
	1998-99	1997-98
Total Turnover	192.88	1567.09
Profit/(Loss) before interest & depreciation	(1060.69)	(1376.81)
Less Interest	807.32	180.26
Profit/(Loss) before depreciation & Taxes	(1868.01)	(1552.07)
less Depreciation	757.70	77.08
Profit/(Loss) before tax	(2625.71)	(1634.15)
Prior Year adjustment	1379.65	--
Less Provision for tax	(4005.36)	(1634.15)
Profit/(Loss) after tax	(4005.36)	(1634.15)
Profit/(Loss) Transferred to Balance Sheet	(4005.36)	(1634.15)

CORPORATE REVIEW/OPERATIONS

As has been mentioned in last two years financial report, Copper/Brass strips & foils division of the Company has been closed down w.e.f. 31.03.1997 by the order of Hon'ble Supreme Court for re-locating the unit outside the territory of Delhi which was pronounced due to typographical error by Central Pollution Control Board (CPCB). The Company's Petition as well as interlocutory application (IA) Filed by CPCB in the Hon'ble Supreme Court has also been dismissed.

For rehabilitation of the Unit the Company has identified 10 Acres of land at Khushkhera, Bhiwadi in the state of Rajasthan. The above land has been reserved by RICCO for the company. Your Company has obtained the consent to establish the Unit at Khushkhera, Bhiwadi, Rajasthan from Rajasthan Pollution Control Committee. The Company had proposed to re-locate its Plant from its own sources. The Company had proposed to sell its property at Badarpur, New Delhi and residential flats at Suraj Kund to augment the financial resources. The Company had also submitted its proposal to the Banks/Financial Institutions for rescheduling/ restructuring its secured

loans. The Company has not received the clearance from Banks / Financial Institutions for selling its properties and rescheduling of the existing loans. This has resulted in delay in relocating the plant. Closure of the plant for last two years has compounded the loss. As a result the accumulated losses have exceeded its entire net worth.

Your company is facing industrial relations problem with its water transport division since February, 1999. This has further aggravated the situation which was already in a precarious state due to delay in getting permission from port authorities to resume the services after monsoon. As a result the company has incurred losses with its water transport division during the year. However, the company has taken up the matter with Port Authorities so that the permission is granted on long term basis.

OTHER INFORMATION

The Company has a bright prospect if we take into account earlier market response of the company's products. But as of now the company has become a sick industrial company and a reference has been made to the Board for Industrial and Financial Reconstruction (BIFR) for rehabilitation which will enable the company to make its net worth positive within a short span of time under the guidance and support of BIFR.

Y2K PREPARATION

The company has taken necessary steps to ensure Y2K compliance for all its Computer system and the costs involved are not expected to be substantial.

DIVIDEND

Due to poor performance company's the Board of Directors have not recommended any dividend for the year ended 31st March, 1999.

DIRECTORS

Mr. Surendra Dube Will retire by rotation and being eligible, offers himself for re-appointment.

Shri B.P.Sinha has been appointed as an Additional Director of the company at the Board Meeting held on 31st March, 1999 and holds office till the conclusion of the ensuing Annual General Meeting. The company has received a notice from a shareholder as required under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr.B.P.Sinha as Director of the Company.

Annual Report 1998-99**SKS Ltd.****PUBLIC DEPOSIT**

The Company has not taken any fresh deposits during the year. Overdue deposits amount to Rs. 61,51,668/-.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The plant has not operated due to closure as such energy consumption has been kept at minimum level. Due to closure of the plant no new technology was adopted during the year.

PARTICULARS OF EMPLOYEES

Particulars of Employees in terms of the requirement of section 217(2-A) of the Companies Act 1956 are not given as there is no employee covered under the relevant rules.

ACKNOWLEDGEMENT

Your Directors wish to extend their sincerest thanks to the various State and Central Government Authorities, Financial Institutions and the Banks for their co-operation and support extended from time to time. Your Directors also record their appreciation of the services tendered by the employees of the company.

By Order of the Board
For SKS Ltd.

Place: Calcutta

Dated : 22nd June, 1999

(Arvind Saraf)
Managing Director

Report  junction.com

AUDITOR'S REPORT**TO****The Members,
SKS LTD.**

We have audited the attached Balance sheet of M/s. SKS LTD., New Delhi as on 31st March, 1999 and also the attached Profit & Loss Account of the Company for the year ended on that date. We report that in our opinion and as per the information and explanations furnished to us and the books and accounts examined by us, in the normal course of audit:

(i) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and locations thereof. The Fixed assets of the Company have been physically verified by the management during the year and as informed to us, no serious discrepancies have been noticed on such verification between the physical stock and book records.

(ii) The Fixed Assets have not been revalued during the year.

(iii) The stock of finished goods, stores, spare parts, chemicals, raw materials and components of the company have been physically verified by the management during the year and as informed to us, the discrepancies between the physical stock and book records which were not significant have been adequately dealt within the books of accounts. In our opinion, the valuation of above mentioned stock is fair and proper & in accordance with normally accepted the accounting principles and is on the basis as in the previous years.

(iv) Loans obtained from Companies, firms or other parties listed in the register maintained under Section 301 and 370 (1-C) of the Companies Act 1956, during the year, the rates of interest and other terms and conditions of such loans are not prima-facie prejudicial to the interest of the Company.

(v) As explained to us, no loans have been granted to the companies, firms or other parties listed in the register maintained under Section 301 and 370 (1-C) of the Companies Act, 1956 during the year.

(vi) Interest free loans and advances in the nature of loans have been given to the employees and others and the principle amounts to the these have generally been recovered as per stipulation, where applicable.

(vii) In our opinion and in the opinion of the internal auditors, there are adequate internal control procedures commensurate with size of the company and the nature of its business with regard to the purchase of stores, raw materials including components, Plant and machinery, equipment and other assets and for the sale of goods.

(viii) No purchase of stores, raw materials or components were made during the year from subsidiaries, firms or companies or other parties in which the Directors are interested.

(ix) As explained to us, the company has a regular procedure for determination of unserviceable or damaged stores, finished products and raw materials and adequate provision has been included in the accounts for the loss arising on items so determined.

(x) The company has subject to Note No. 12 in Schedule "P" complied with the provisions of Section 58 A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to deposits accepted from the public.

(xi) The company appears to have maintained reasonable records for sale and disposal of realizable scraps, where significant.

(xii) The company has an internal audit, system commensurate with the size nature of its business whereas in our opinion the scope can be extended.

(xiii) The Company has not required to maintain cost records under Section 209 (1)(d) of Companies Act 1956.

Annual Report 1998-99**SKS Ltd.****BALANCE SHEET AS AT 31ST MARCH 1999**

	SCHEDULE	AS AT 31.03.99	(Figures in Rs.) AS AT 31.03.98
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	A	85,451,000	85,451,000
Reserve & Surplus	B	368,857,210	368,857,210
Loan Funds	C	420,033,299	299,940,692
		<u>874,341,509</u>	<u>754,248,902</u>
APPLICATION OF FUNDS			
Fixed Assets	D		
- Gross Block		465,854,199	465,638,459
- Less : Depreciation		<u>225,611,107</u>	<u>149,840,896</u>
Net Block		240,243,092	315,797,563
Investments	E	79,805,000	79,805,000
Current Assets, Loans & Advances	F	179,381,174	265,559,504
Less: Current Liabilities & Provisions	G	<u>200,778,776</u>	<u>82,945,679</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)	H	3,780,089	4,657,684
Profit & Loss Account	I	571,910,930	171,374,830
		<u>874,341,509</u>	<u>754,248,902</u>

NOTES ON ACCOUNTS Q

Schedules referred to above form an integral part of this Balance Sheet

As per our report of even date attached

For SHWETANK JOSHI & CO.
Chartered Accountants**Shwetank Joshi**
Proprietor**Arvind Saraf**
Mg. Director**B.P.Sinha**
Director**Surendra Dube**
Director

Place : Calcutta.

Date: 22nd June, 1999