

13th ANNUAL REPORT

1998-99

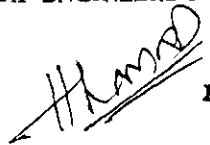
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***Condequip* ENGINEERS (INDIA) LIMITED**

Regd. Office : Condequip House, Charkop, Kandivli (W), Mumbai - 67.

CERTIFIED TRUE COPY

FOR CONDEQUIP ENGINEERS INDIA LTD.


DIRECTOR

Condeqip ENGINEERS (INDIA) LTD**13th Annual Report 1998-99**

DIRECTORS	: Joseph D'Souza Winston Fernandes Paul D'Souza
AUDITORS	: M/s. Shyam C. Agrawal & Co., Chartered Accountants, 3/910-L, Navjivan society, Lamington Road, Mumbai-8.
BANKERS	: Oriental Bank Of Commerce.
REGISTERED OFFICE	: Condequip House, CTS No. 413, Charkop village, Kandivli (W), Mumbai - 67.
WORKS	: R-237, MIDC, Gansoli, Rabale, Navi Mumbai.

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NOTICE

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the Members of CONDEQUIP ENGINEERS INDIA LIMITED will be held on Wednesday the 28th of July 1999 at 11 A.M. at Condequip House, CTS 413, M.G Road, Kandivili(w), Mumbai 400067 to transact the following business:-

ORDINARY BUSINESS

- 1) To consider and adopt the Balance Sheet as at 31st March 1999 and the Profit & Loss Account of the Company for the Year ended on that date and the reports of the Board of Directors & Auditor thereon.
- 2) To appoint a Director in place of Shri. Winston Fernandes who retires by rotation & being eligible offers himself for re-appointment.
- 3) To appoint auditors to hold office from the conclusion of this Annual General Meeting until the Conclusion of the next Annual General Meeting & to fix their remuneration.

For and on behalf of Board

Dated: 28th May 1999.

Registered Office:-

Condequip House,

CTS 413, M.G.Road, Kandivili(W),

Mumbai 400 067.

CHAIRMAN.

NOTES:

1) A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF OR SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument of order in order to be effective must be deposited at registered office of the Company not less than 48 hours before the commencement of the meeting.

2) Share Transfer Books of the Company shall remain closed from (Wednesday) 21st July 1999 till (Wednesday) 28th July 1999.(both days inclusive).

3) Members are requested to notify immediately any change in their address to the company's share Transfer division at the Reg.Office of the Company at Condequip House, CTS 413, M.G.Road, Kandivili (w) , Mumbai 400067 and quote their folio number in all their correspondence.

4) Member are requested to bring their copy of Annual Report at the meeting and produce attendance slip at entrance where Annual General Meeting will be held.

5) Member seeking any information as regards to accounts are requested to write to the company at least 10 days in advance so as to enable the company to keep the information ready.

DIRECTORS' REPORT

TO

The Member,

Your Directors hereby present their Thirteenth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March 1999.

FINANCIAL RESULTS.

(Rupees in lacs)

	Current Year	Previous Year
Total Income	216.91	436.37
Profit/(Loss) before depreciation	(374.59)	(49.91)
Less : Depreciation	4.39	4.66
Profit/(Loss) before Taxation	(378.98)	(54.57)
Less : Prior period item	8.42	3.01
Less : Provision for tax	--	--
Profit for the year	(387.40)	(57.58)
Add : Balance brought forward	(67.61)	(10.03)
Balance carried to Balance Sheet	(455.01)	(67.61)

Your company has incurred a loss during the year under review on account of adverse market conditions.

DIVIDEND

Your Directors do not recommend any dividend in absence of profit.

OPERATIONS

During the year under review the turnover was Rs. 216.91 lacs as against Rs. 436.37 lacs during the previous year on account of the Economic recession prevailing upon the Country in general especially in Capital Market and the liberalisation policy of National Government has adversely affected our performance. The trend is likely to continue in the current year .

Report to BIFR Board : In the Audited Report for the year ended 31st March 1999, it is pertinently reported by the Auditor that, Companies networth is eroded by morethan 50%. It is therefore necessary to inform the BIFR Board about the facts that the Company has become sick unit.

Y2K COMPLIANCE

The Company has taken appropriate and effective steps to face the Y2K Compliance without any additional cost and it dose not call for contingency plan.

DIRECTORS

In accordance with the provisions of the Companies Act 1956 and the Company's Articles of Association, Shri.Winston Fernandes retire by rotation at ensuing Annual General Meeting and being eligible offer for reappointment.

AUDITORS

M/s. Shyam Agrawal & Co., Chartered Accountants, hold office of the Auditors of the Company until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from them to the effect that, their appointment made would be within prescribed limits u/s 224(1B) of The Companies Act, 1956. Accordingly the said Auditor will be appointed as auditor of the Company at the ensuing Annual General Meeting.

PARTICULARS OF EMPLOYEES

No employees of the Company is covered under the provision of section 217(2A) of the Companies Act 1956, read with Companies (Particulars of employee) amendment Rule 1988.

DIRECTOR OF PARTICULARS U/S 217(1) (E) OF THE COMPANIES ACT,1956

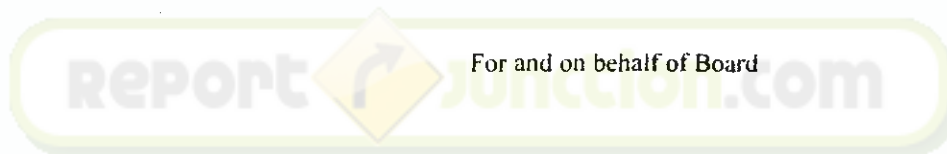
The Company has setup a research and development department for standardisation and improvement of road construction machinery and its components. Energy consumption is quite moderate and does not justify efforts for further conservation.

ACKNOWLEDGEMENT

Your Director are pleased to place on record their appreciation of value contribution, devotion and sense of commitment entered by employees of the Company which inspires confidence to plan for greater access in current financial year. Your Directors also like to place on record its appreciation for the whole hearted support and contribution made by the support and contribution made by the Banks, Central & State Governments & local bodies, distributors, suppliers and other business association towards conduct of efficient operations of your Company.

Place : Mumbai

Date : 28.05.99



For and on behalf of Board

CHAIRMAN.

AUDITORS REPORT

TO THE MEMBER OF *Condequip* ENGINEERS (INDIA) LTD

We have audited the attached Balance Sheet of the *Condequip* ENGINEERS (INDIA) LTD as at 31st March 1999 and the Profit and Loss account for the year ended on that date annexed there to and report that :

1. Though the Company has incurred losses far in excess of Paid Up Capital and Reserves, the accounts have been prepared on going concern basis as the Company is making an application for registration with the Board for Industrial and Financial Reconstruction (BIFR).
2. As required by manufacturing and other Companies (Auditor's Report) order 1988, issued by the Central Government in the terms of section 227(4A) of the paragraph 4 and 5 of the said order is as per annexure.
3. Further to our comments the annexure referred to in paragraph 1 above, we state that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were 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 it appears from our examinations of such books.
 - c. The Balance Sheet and Profit and Loss account dealt with by this report are in accordance with the books of account maintained by the Company.
 - d. Liability for gratuity has been actuarially determined, nor any provision has been made in accordance with Accounting Standard 15 issued by The Institute of Chartered Accountants Of India.
 - e. No independent confirmation of balance of sundry debtors, sundry creditors, loan and advance loan from Financial Institutions and other parties has been produced before us and consequential impact, if any, could not ascertained.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon, given the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i. In the case of Balance Sheet of the state of affairs of the Company as at 31st March 1999 and
 - ii. In the case of Profit and Loss account of the Loss of the Company for the year ended on that date.

For SHYAM C. AGRAWAL & CO.

Chartered Accountants.

Place : Mumbai

Dated : 27.05.99

S.C. AGRAWAL

Proprietor

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 1 of our report on the accounts for the year ended 31st March 1999 of **Condequip ENGINEERS (INDIA) LTD.**

1. The Company has maintained proper records showing full particulars including quantitative details a situation of Fixed Assets. Fixed Assets were physically verified by the management during the year. We were informed that no material discrepancies were noticed by management on such verification.
2. None of the fixed assets has been revalued during the year.
3. The stock of finished goods, stores spare parts and raw materials have been physically verified by the management during the year.
4. In our opinion, the procedure of physical verification of stock followed by the management are adequate in relation to the size of the Company and the nature of its business.
5. No material discrepancies have been noticed on physical verification of such stocks as compared to book record.
6. On the basis of our examination of stock record, we are of the opinion that the valuation of stores, spare parts and raw materials is fair and proper in accordance with the normally accepted accounting principles.
7. The Company has not taken loans from firm or other parties listed in the register maintained under section 301 and 370(1B) of the Companies Act,1956.
8. The Company has granted loans to companies, firm or other parties listed on the register maintained under section 301 and 370(1B) of the Companies Act 1956. Loans granted by the Company are interest free.
9. In respect of Loans and advances in the nature of Loans, given by the Company the principal amount is generally being repaid as stipulated and payment of the interest wherever stipulated is also regular.
10. The company has adequate system of internal control with regards to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods commensurate with size of the Company.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, made in pursuance of contracts entered in the register maintained under section 301 of Companies Act,1956 and aggregating during the financial year of Rs. 50000/- or more in respect of each party have been made at price that are reasonable having regard to prevailing market prices for such goods, material or services have been made with other parties or as available with the Company.
12. According to the information and explanations given to us Company has a procedure for determination of unserviceable or damaged stores and raw materials. Adequate provision has been made in the accounts for the loss arising on the items so determined.
13. The Company has not accepted any deposits from the public during the year within the meaning of section 58A of the companies Act,1956 and the Companies (acceptance of Deposits) Rule 1975.
14. The Company did not generate any realisable scrap during the period.

S.C.AGRAWAL

BCom, (Hons.) LL.B. F.C.A

Shyam C. Agrawal & Co

Chartered Accountants

3/910-L, Navjivan Society,

Lamington Road, Mumbai -400008.

Phone : (O) 3073538, 8360916 Fax : 3072760

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15. In our opinion the Company has not an adequate internal audit system commensurate with the size and nature of its business.

16. The maintenance of cost record have not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for the financial year under review.

17. According to the information and explanations given to us and according to the record of the Company the Provident Fund have been deposited during the year.

18. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Custom duty and Excise duty were outstanding at last date of financial year for a period of more than six months from the date they become payable. (Ref. Note No. 6&7)

19. According to the information and explanations given to us, no personal expenses have been charged to the revenue account there than those payable under contractual obligations or in accordance with generally accepted business practice.

20. The Company is a Sick Industrial Company within the meaning of clause (O) of sub section (1) of section 3 of the Sick Industrial Companies (Special Provision) Act, 1985 and reference would be made to The Board for Industrial And Financial Reconstruction (BIFR).

21. In respect of service activities.

i. The company has a reasonable system of recording receipts, issues and consumption of material and stores and allocating material consumed to the relative job, commensurate with its size and nature of its business.

ii. There is reasonable system of authorisation at proper levels and adequate system of internal control on issue of stores an allocation of stores and labour to jobs, commensurate with the size of the company and the nature of its business.

22. In respect of the Companies trading activity, we are inform that there are no damaged stock.

For SHYAM C. AGRAWAL & CO.

Chartered Accountants.

Place : Mumbai

Dated : 27.05.99

S.C. AGRAWAL

Proprietor

Condequip ENGINEERS (INDIA) LTD

BALANCE SHEET AS AT 31st MARCH, 1999

(Amount in Rs.)

	SCH	AS AT 31.03.99	AS AT 31.03.98
I SOURCES OF FUNDS			
1 SHARE HOLDERS FUNDS			
Share Capital	A	42855500	42651500
Reserve & Surplus	B	2075062	2075062
2 LOAN FUNDS			
Secured Loans	C	12702283	11365808
Unsecured Loans	D	14325468	13340935
TOTAL		<u>71958313</u>	<u>69433305</u>
II APPLICATION OF FUNDS			
1 FIXED ASSETS	E		
Gross Block		10905584	12280766
Less : Depreciation		<u>1634230</u>	<u>1792931</u>
		9271354	10487835
2 INVESTMENTS	F	6200000	6200000
3 CURRENT ASSETS, LOANS AND ADVANCES	G		
Inventories		6565000	15456000
Sundry Debtors		1850817	15113267
Cash and Bank Balances		461160	506421
Loans and Advances		<u>18785012</u>	<u>24959777</u>
		27661989	56035465
Less : CURRENT LIABILITIES AND PROVISIONS	H		
Current Liabilities		18283952	12082865
Provisions		<u>1100000</u>	<u>1100000</u>
		19383952	13182865
NET CURRENT ASSETS		8278037	42852600
4 MISCELLANEOUS EXPENDITURE	I	2707309	3131243
(To the extent not written off or adjusted)			
5 PROFIT AND LOSS ACCOUNT		<u>45501613</u>	<u>6761627</u>
TOTAL		<u>71958313</u>	<u>69433305</u>
NOTES ON ACCOUNTS	Q		

As per our report of even dated
For SHAYAM C. AGRAWAL & CO.
Chartered Accountants.
S.C. AGRAWAL
Proprietor

For and on behalf of the Board
JOSEPH D'SOUZA
Managing Director

WINSTON FERNANDO
Executive Director

PLACE : MUMBAI
DATE : 27.05.99

Condequip ENGINEERS (INDIA) LTD

(Amount in Rs.)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 1999

	SCH	CURRENT YEAR	PREVIOUS YEAR
I INCOME			
Sales		20670895	41048449
Other Income	J	1020271	2588884
Increase/(Decrease) in Stock	K	(8440000)	2590000
		<u>13251166</u>	<u>46227333</u>
II EXPENDITURE			
Trading Purchase		2107556	3836758
Raw Material Consumed	L	18095333	29637785
Manu. & Other Expenses	M	8630822	5986319
Payment to & pro for Employees	N	3763781	4080546
Administrative & Selling Exp.	O	5032979	4640099
Bad and Doubtful Debt		10052689	0
Depreciation	E	439484	465712
Interest & Financial Charges	P	2602730	2613617
Miscellaneous Exp. Written Off	I	423934	423934
		<u>51149308</u>	<u>51684770</u>
PROFIT/(LOSS) BEFORE TAXATION		(37898142)	(5457437)
Less : Prior Period Items : Sales Tax		841844	
: I Tax			300393
NET PROFIT/(LOSS)		(38739986)	(5757830)
Add : Balance brought forward		<u>(6761627)</u>	<u>(1003797)</u>
BALANCE CARRIED FORWARD		<u>(45501613)</u>	<u>(6761627)</u>
NOTES ON ACCOUNTS	Q		

As per our report of even dated
For SHYAM C. AGRAWAL & CO.
Chartered Accountants.

S.C. AGRAWAL
Proprietor

PLACE : MUMBAI
DATE : 27.05.99

For and on behalf of the Board

JOSEPH D'SOUZA
Managing Director

WINSTON FERNANDES
Executive Director