



***14<sup>TH</sup> ANNUAL REPORT  
1998-99.***

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***CONSORTEX KARL DOELITZSCH (INDIA) LTD.***

***Formerly Known as***

***Andhra Pradesh Power Tools Ltd.***

## FIXED ASSETS

S.NO.	PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK		
		AS ON 1.7.98	ADDITIONS	AS ON 30.6.99	UPTO 30.6.98	FOR THE YEAR	UPTO 30.6.99	AS ON 30.6.99	AS ON 30.6.98
1.	LAND & SITE DEVELOPMENT	6,386,603	0	6,386,603	0	0	0	6,386,603	6,386,603
2.	BUILDING	9,477,501	0	9,477,501	1,896,762	316,549	2,213,311	7,264,190	7,580,739
3.	PLANT & MACHINERY	3,326,850	0	3,326,850	1,301,898	171,333	1,473,231	1,853,619	2,024,952
4.	INSPECTION & TESTING EQUIP	4,170,932	0	4,170,932	1,596,836	214,803	1,811,639	2,359,293	2,574,096
5.	DYES & TOOLS	10,070,478	0	10,070,478	2,957,259	518,630	3,475,889	6,594,589	7,113,219
6.	FURNITURE, FIXTURES &	2,206,678	48,640	2,255,318	771,092	631,469	1,402,561	852,757	1,435,586
7.	COMPUTERS	4,707,519	0	4,707,519	4,707,519	0	4,707,519	0	0
8.	VEHICLES	1,954,478	0	1,954,478	605,755	0	605,755	1,348,723	1,348,723
9.	BUILDING UNDER CONSTRUCTION	9,349,973	0	9,349,973	0	0	0	9,349,973	9,349,973
10.	CAPITAL WORK IN PROGRESS	93,924,990	0	93,924,990	0	0	0	93,924,990	93,924,990
		145,576,002	48,640	145,624,642	13,837,121	1,852,784	15,689,905	129,934,737	131,738,883



**PROJECT PRE-OPERATIVE EXPENSES PENDING FOR CAPITALISATION**  
**SCHEDULE-F**

PARTICULARS	AS AT 30/06/98	FOR THE YEAR	AS AT 30/06/99
Salaries and Wages	4,822,913	264,690	5,087,603
Rent	1,103,760	44,500	1,148,260
Postage & Telegram	1,199,309	36,460	1,235,769
Power,Fuel & Water Charges	123,082	16,460	139,542
Travelling &Conveyance	6,308,826	266,121	6,574,947
Printing &Stationary	1,360,704	2,640	1,363,344
Business&Promotion	3,103,399	0	3,103,399
Remuneration to Auditors	140,000	25,000	165,000
Vehicle Maintenance	940,335	0	940,335
Insurance	193,816	59,438	253,254
Consultancy&Professional Charges	4,022,437	15,000	4,037,437
Interest & Commitment Charges	123,085,255	0	123,085,255
Bank Charges	540,949	0	540,949
Service Charges-Merchant Bankers	1,234,545		
Product & Inaugration Expenses	427,387	0	427,387
Depeciation	5,483,165	926,392	6,409,557
Miscellaneous Expenses	948,724	0	948,724
Repairs & maintenance	537,554	0	537,554
Lead Managers fees	210,000	0	210,000
Seminar Expenses	362,420	0	362,420
Rates & Taxes	215,930	0	215,930
Filing Fees	603,065	0	603,065
Remuneration to Directorate	462,890	180,000	642,890
Advertisement & Publicity	1,213,191	15,000	1,228,191
Public issue Exp	8,223,213	0	8,223,213
	166,866,869	1,851,701	168,718,570
Less:Capitalised	1,984,352	0	1,984,352
	164,882,517	1,851,701	166,734,218



**CURRENT ASSETS, LOANS & ADVANCES : SCHEDULE -G**

PARTICULARS	AS AT 30/06/99	AS AT 30/06/98
<b><u>INVENTORIES :</u></b>		
(Taken valued and certified by the management)Raw materials & components at cost	10,304,330	10,304,330
Work-in-progress-at cost	9,646,216	9,646,216
Trading Tools at cost	13,364,119	10,006,392
Trading Spares at cost	6,841,220	4,822,271
Demo Tools at cost	4,628,131	4,628,131
	44,784,016	39,407,340
<b><u>SUNDRY DEBTORS:</u></b>		
(Un-secured considered good)		
Debts outstanding for more than Six months	7,095,125	7,938,403
	7,095,125	7,938,403
<b><u>CASH &amp; BANK BALANCE:</u></b>		
Cash on hand	23,419	3,641
Balance with Sch.Banks in C/A/c.'s	4,634,000	4,657,419
	4,657,419	4,661,060
<b><u>DEPOSITS:</u></b>		
Deposits with Govt.Dept	373,715	373,715
Deposits with others	1,264,600	436,000
	1,638,315	809,715
<b><u>LOANS AND ADVANCES:</u></b>		
<b><u>(un-secured considered good)</u></b>		
Advances for Capital Works/ Equipments	99,207,227	99,207,227
Advances for purchases & Other services	1,824,140	1,204,095
Advances to staff	62,416	43,964
Advances to Directors	424,160	271,299
	101,517,943	100,726,585



PARTICULARS	AS AT 30/06/99	AS AT 30/06/98
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**SCHEDULE-H****CURRENT LIABILITIES & PROVISIONS:**

Creditors for Capital Goods/works	10,093,250	10,093,250
Creditors for Purchases & others	5,841,640	7,186,647
	15,934,890	17,279,897

**SCHEDULE-I****SALES:**

Sale of Tools	39,698,100	73,218,832
Sale of Spares	6,642,160	4,435,877
	46,340,260	77,654,709

**SCHEDULE-J****OTHER INCOME:**

Interest	0	0
Service Charges	0	240
Other Income	0	0
	0	240

**SCHEDULE-K****COST OF MATERIAL CONSUMED:**

Opening Stock of Raw Materials and components	14,828,663	10,641,430
Add: Purchases during the Year	65,962,784	62,184,466
	80,791,447	72,825,896
Less: Closing Stock	44,784,016	14,828,663
	36,007,431	57,997,233



**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 30<sup>TH</sup> JUNE,1998**  
**SCHEDULE-I**

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**A. ACCOUNTING POLICIES:**

1. Revenue/income and Cost/Expenditure are generally accounted on accrual as they are earned or incurred.
2. Fixed Assets are shown at cost less accumulated depreciation other than land where no depreciation is charged.
3. Depreciation on fixed Assets is proved on straight line basis at the rates specified from time to time Schedule XIV to the Companies Act,1956.

**B. NOTES ON ACCOUNTS:**

1. Contingent Liabilities not : A. Counter Guarantees in respect of guarantees furnished by Bankers Rs.56,400/-.  
(previous year Rs.56,400/-).  
B. Unutilised letter of Credit Rs. Nil.  
(previous year Rs.Nil.).  
C. Amount claimed in suits in respect of cases pending before the courts by some of the Creditors amount not determined.
2. a) Revenue Expenditure and depreciation attributable directly to the Project work and operations activity have been accounted according .All other indirect expenses and depreciation which are not directly relatable to the project work and operation activity have been apportioned considering the nature of expenditure and has been approved by the Board of Directors.  
b) All the items classified under expenditure during construction relate to the project and it is therefore the intention of the company to capitalise the same , till the time,the relative assets are put to use.  
c) Fixed assets which are complete and /or put to use were capitalised including proportionate incidental expenditure incurred during construction period.
3. Confirmatiuon of Balances from all the Creditors,Debtors and from persons to whom advances have been paid have not been obtained .In the absence of Balance confirmation ,the entries and other supporting records have been relied upon.
4. No Provision has been made towards Income Tax as there are no assessable profits.
5. Stock of Demonstartion Tools are compiled based on the records maintained and physical balance of the tools is however subject to confirmation.
6. Previous years figures have been regrouped/rearranged wherever necessary.
7. Additional information pursuant to paragraphs 3,4,4C and 4D of Part-II of Schedule VI

to the Companies Act,1956:

- |                       |   |
|-----------------------|---|
| i.Licensed Capacity   | : 1,05,000(Previous year 1,05,000<br>Nos.Tools per annum. |
| ii.Installed Capacity | : Not ascertained as project                              |



	is under implementation .
iii. Production and Consumption of Raw material.	: Not compiled as Numerous components are involved.
iv. Opening Stock-Tools & Spares	: Rs.148.28 lacs Previous year:106.41
Turnover-Tools & Spares	: Rs. 463.40 lacs Previous year:776.55
Closing stock Tools & Spares	: Rs.202.05 lacs Previous year :148.28
v. Purchase-Tools & Spares	: Nil ( Previous year Rs.621.84 lacs).
vi. CLF Value of Import Tools, Spares & components	: Nil (previous year Rs.Nil)
vii. Expenditure in Foreign currency	: Nil (previous year Rs.Nil)
viii. Earnings in Foreign currency	: Nil (previous year Rs.Nil)
ix. Remittance in Foreign currency on account of Dividends	: Nil (previous year Rs.Nil)

#### SIGNATURES TO THE SCHEDULES "A" TO "L"

As per our report attached to the Balance Sheet .

For Nataraj Iyer & Co.  
Chartered Accountants.

for Consortex Karl Doelitzsch(India)Ltd

E.S.Ranganath  
Partner  
Place : Hyderabad  
Date : 15.11.1999

V.P.Rao  
Director & CEO

V.Manohar  
Director



**AUDITOR'S REPORT**

To,

The Members

Consortex Karl Doelitzsch(India)ltd.

We have audited the attached Balance sheet of Consortex Karl Doelitzsch(india) ltd as at 30<sup>th</sup> June 1999 and the Profit and Loss Account of the company for the period ended on that date annexed thereto.

1. As required by the manufacturing and other companies (Auditors Report) order 1988 issued by the company law board in terms of the information and explanations given to us and on the basis of such checks as we considered appropriate we annex hereto the statement on the matters specified in paragraphs 4&5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above we report 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 account as required by law have been kept by the company so far as appears from our examination of the books:
  - c) The Balance sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account of the company:
  - d) In our opinion and as per information and explanation furnished to us the Balance sheet and the Profit and Loss Account comply with the Accounting standards referred to in Section 211(3C) of the Company's Act 1956:
  - e) i). The company has not compiled quantity particulars for production,consumption of raw materials.
  - ii). The Stock of Demo Tools are compiled based on the information available from the records and physical availability of the tools is subject to reconciliation.
  - iii). Balance in Sundry Debtors ,Sundry Creditors and Advances are subject to confirmation.

Subject to the foregoing and in our opinion and to the best of our information and according to the explanation given to us ,these said accounts read together with the accounting policies and notes thereon,give the information required by the Company's 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 30<sup>th</sup> June 1999 and
- ii). In the case of Profit and Loss account of the profit for the year ended on that date.

Place :Hyderabad  
Date : 15.11.1999

For Nataraja Iyer & Co.  
Chartered Accountants

E.S.RANGANATH  
PARTNER





## ANNEXURE TO AUDITOR'S REPORT

Referred to paragraph 1 of our Report of even date:

1. The Company has compiled the fixed assets register. However fixed assets register needs to be updated to incorporate additions made during the year. We are informed that the assets have not been physically verified by the Management. Therefore comparison between physical and book balance does not arise.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods and raw material have been physically verified by the management as at the end of the year except for Demo Tools.
4. In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
5. Subject to paragraph d(ii) of the report, no material discrepancies have been noticed on physical verification of stocks as compared to book balances in so far as appears from our examination of books.
6. In our opinion the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the earlier year.
7. The Company has not borrowed loans from Companies, Firms and other parties, where Directors are interested or from a Company under the same management.
8. The company has not granted any loans to Directors, Companies, Firms or other persons where Directors are interested including companies under the same management.
9. The company has not given loans or advances in the nature of loans to any persons except the advances given in normal course of business.
10. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of raw material components, plant and machinery, equipment, other assets and sales of goods.
11. In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods or materials, sale of goods or materials and services made in pursuance of contracts or arrangements entered in the register maintained Under Section 301 of the Companies Act, 1956 aggregating during the year to Rs.50,000/- or more in respect of each party.
12. The Company is yet to establish a system for determination of unserviceable and damaged raw material and stores. We are informed that there are no unserviceable or damaged raw materials in the inventory as at the end of the year.
13. The Company has not accepted any deposits from public.
14. As informed to us, no scrap accrued as the company carried only assembling activity. Hence maintenance of records for sale and disposal of scrap does not arise. The Company has no by-product.



15. The Company is yet to establish internal audit system .However,all the transactions of the Company are done with the approval of Directors.
16. The Central Government has not prescribed maintenance of cost records Under Section 209(i) (d) of the Companies Act,1956 for the product of the Company.
17. The Company has not established any Provident Fund Scheme to its employees as the provision of the Provident Fund Act do not as yet apply to this company.The provisions of employees State Insurance Act does not apply to this Company.
18. In our opinion and according to the information and explanations given to us ,there are no undisputed amounts payable in respect of Income tax,Wealth tax,Sales tax,Customs duty and Excise duty as at the last day of the accounting period outstanding for a period of more than six months from the date they became payable.
19. According to the informations and explanations given to us and the records of the company examined by us ,no personal expenses have been charged to revenue account other than those payable under contractual obligations are in accordance with generally accepted business practice.
20. The Company is not sick industrial Company within the meaning of clause(0) of sub Section(1) of Section 3 of the sick industrial companies(Special provisions)Act 1985.
21. According to the information and explanations given to us there were no damaged goods in the case of goods purchased for resale.

For NATARAJA IYER & CO.,  
CHARTERED ACCOUNTANTS

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Place :Hyderabad  
Date : 15.11.1999

E.S.RANGANATH  
PARTNER

