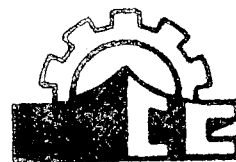


MD	✓		BKC	✓
CS	✓		DPY	NA
RC	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHH	✓
YE	✓	✓		

# 35<sup>th</sup> ANNUAL REPORT 1997-98

Report  Junction.com



CONTINENTAL CONSTRUCTION LIMITED


**CONTINENTAL CONSTRUCTION LIMITED**


---

## CONTENTS

Notice	4
Directors' Report	6
Abridged - Balance Sheet and Profit & Loss Account	10
Auditors' Report	17
Balance Sheet	21
Profit & Loss Account	23
Schedules	24

Report  junction.com

### FOR THE ATTENTION OF THE SHAREHOLDERS

- Abridged Balance Sheet in prescribed form is sent in accordance with Sub-Clause (iv) of proviso (b) to Section 219(1) of the Companies Act, 1956.
- Full Balance Sheet of the Company is being sent in compliance with the amended Clause 32 of the Listing Agreement with Delhi Stock Exchange, vide their circular letter dated 08.04.1996.
- Full Balance Sheet of the Company including Balance Sheet of Subsidiary Companies will be supplied to members on request.



**35TH ANNUAL REPORT 1997-98**

**BOARD OF DIRECTORS**

C L VERMA

CHANDER VERMA

M K VERMA

M S BASI

V K VERMA

K S BASI

D S BASI

O P CHADHA

CHAIRMAN & MANAGING DIRECTOR

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

**VICE PRESIDENT (FINANCE)**

K S SOHARU

**SECRETARY**

B SINGH

**MAIN BANKERS**

1. STATE BANK OF INDIA
2. UCO BANK
3. STATE BANK OF SAURASHTRA
4. ORIENTAL BANK OF COMMERCE
5. PUNJAB & SIND BANK
6. STATE BANK OF TRAVANCORE

**AUDITORS**

V SANKAR AIYAR & CO.  
NEW DELHI

**REGISTERED OFFICE**

"CONTINENTAL HOUSE"  
28, NEHRU PLACE,  
NEW DELHI - 110 019

**CONTINENTAL CONSTRUCTION LIMITED****NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the 35th Annual General Meeting of the members of Continental Construction Ltd., will be held at Air Force Auditorium, Subroto Park, New Delhi - 110 010 on Monday, the 28th day of September, 1998 at 10.00 A.M. to transact the following business : \_

**ORDINARY BUSINESS : -**

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 1998, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. M.S. Basi, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Sh. K.S. Basi, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

By Order of the Board

Place : New Delhi  
Dated : 18th August, 1998

B. Singh  
Secretary



## 35TH ANNUAL REPORT 1997-98

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DEPOSITED, DULY COMPLETED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. Only Registered Members carrying the attendance slips and the holders of the valid proxies registered with the Company will be permitted to attend the meeting. Xerox copy or torn Attendance Slip will not be accepted at the entrance of Meeting Hall.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 1st September, 1998 to Monday, the 28th September, 1998 (both days inclusive).
4. Members are requested to notify to the Company immediately any change in their address quoting ledger folio number, specifying full address in BLOCK CAPITALS with Pin Code Number of the Post Office.
5. Members requiring further information or having any query on the Accounts, are requested to send their queries to the Company Secretary atleast 10 days before the date of the meeting so that the information can be made available at the meeting.
6. Pursuant to Section 205A(5) of the Companies Act, 1956, all dividends which remained unpaid or unclaimed for the accounting years 1986, 1987, 1988-89, 1990-91, 1991-92, 1992-93 and 1993-94 have already been transferred to the General Revenue Account of the Central Government.

Shareholders concerned are requested to claim the amount from the Registrar of Companies, N.C.T. Delhi & Haryana, Paryavaran Bhawan, C.G.O. Complex, B-Block, 2nd Floor, Lodi Road, New Delhi - 110 003 by submitting application in Form-II. In case any assistance is required, please write to the Company at its Registered Office.

7. Persons attending the Annual General Meeting are requested to bring their copies of Annual Report as the practice of distribution of copies of the Annual Report at the meeting has been discontinued.

Duplicate attendance slips will not be issued at the Annual General Meeting venue. The same shall be issued at the Registered Office of the Company upto a day preceding the day of the Annual General Meeting.

8. Members holding more than one Share Certificate in the same name under different ledger folios, are requested to apply for consolidation of such folios and send relevant Share Certificates to the Company's Registered Office for consolidation of entire holding in one account. The certificates after consolidation will be returned by Registered Post.



## CONTINENTAL CONSTRUCTION LIMITED

# DIRECTORS' REPORT

The Members

**Continental Construction Limited**

New Delhi.

Dear Members,

Your Directors have pleasure in presenting to you the 35th Annual Report of your Company together with the audited Statements of Accounts for the year ended 31st March, 1998.

Your Directors take pleasure in reporting that the results of the activities of the Company during the year under review have been satisfactory inspite of the continued cash crunch faced by the Company due to the hold-up of its large dues with the various Indian and Overseas Clients.

The position of the operational results of the Company for the year under review is briefly as under :-

	Rupees in Millions	
1. Contract Receipts	549.64	
<b>Less:</b> Decrease in the Work-in-Progress	25.46	524.18
2. Other Receipts		87.13
3. Gross Income		611.31
<b>Less:</b> Expenditure (before provision for Depreciation)		544.80
4. Profit before provision for Depreciation and Tax		66.51
<b>Less:</b> Provision for -		
i) Depreciation	19.64	
ii) Taxation	5.00	24.64
5. Net Profit after provision for tax		41.87
<b>Add:</b> Transferred from -		
i) Investment Allowance (utilised) Reserve	15.32	
ii) Revaluation reserve	5.08	
iii) Balance brought forward from previous year	79.02	99.42
6. Surplus carried over to next year's Accounts		141.29



### 35TH ANNUAL REPORT 1997-98

Provision for Income Tax for the Current Year has been made keeping in view the provisions of Section 115-JA of the Income Tax Act, 1961.

There is no change in the realization of the Company's outstanding dues from Iraq and Libya despite the continued efforts of the Management and the hold-up of the Company's large receivables continues to have adverse effect on the business and is causing serious Cash Crunch for the Company.

The Company's Claim filed before the UNCC for recovery of its large receivables from Iraq is learnt to have partially been accepted to the extent it related to the direct effect of the Iraq's action of occupying Kuwait. Though the complete details of the Award are not yet available, the UNCC is believed to have ruled that dues relating to the prior period of the Gulf War are beyond the purview of the UNCC. We are trying to obtain the details of the Award with regard to its exact quantum and items for which the compensation is awarded through the good offices of the Government of India. Necessary follow-up action to pursue the matter with the Government of Iraq for realization of the remaining amount of our Claim will be taken upon receipt of details of the Award. The present Cash Flow problem of the Company will improve upon physical receipt of the awarded amount.

In view of these compelling circumstances and in order to conserve the resources, your Directors are unable to recommend the payment of the Dividend to the Shareholders for this year also. We hope, the Members will appreciate the circumstances which compelled your Directors to take such an unpleasant and hard decision.

The Management is continuing its efforts to realize its huge outstanding receivables due from various Clients in India, Iraq and Libya so as to tide over the temporarily caused acute Cash Flow problems.

As reported earlier also, the Company's Claim for deduction U/s 80-O of the Income Tax Act, 1961, for the Assessment Year 1983-84 is still alive in view of the Company's SLP against the judgment of the Delhi High Court inter-alia challenging the validity of Section 80-HHB(5) of the Income Tax Act, 1961, having been granted by the Hon'ble Supreme Court on 13.11.1995. However, the SLP along with the Writ Petition under Article 32 of the Constitution of India has not yet been fixed for final hearing.

Exim Bank and State Bank of India have filed suits against the Company for recovery of the outstandings relating to the Iraqi Projects, covered under the Deferred Payment Agreements signed between the Governments of India and Iraq. The Company has been consistently refusing to accept certain debits made by the aforesaid Financial Institutions for valid reasons. The Company believes that the matter will be resolved amicably.

Your Directors take pleasure in informing you that the Works at Indira Sarovar Project have been finally taken over by the Clients, after completion of the maintenance period.

The Works at Mahi Aqueduct Project, Kodasalli Project and Naval Drydock Project at Mumbai, are progressing satisfactorily. The Work at Maneri Bhali continues to remain suspended because of non-provision of funds by the Government of U.P. As per the indications given by the Clients, the Project is again being revived and we have submitted our offer for resuming the work as and when the necessary funds are provided by the U.P. Government.

There is no change in the status of Haryana Highway Project (HHP) and Ahmedabad-Vadodara Expressway



## **CONTINENTAL CONSTRUCTION LIMITED**

---

Project (AVEW) and the stalemate continues as before.

The stalemate in respect of the Libyan Road Contract is still continuing. The Company is continuing its efforts to withdraw from the Project.

Your Directors are pleased to inform you that the works at Nathpa Jhakri Hydroelectric Project in Himachal Pradesh being carried out by the Company in Joint Venture with The Foundation Company of Canada Ltd., are progressing satisfactorily as per the revised schedules.

The Working Results of the Subsidiary Companies for the year under review have been dealt with in their respective Reports annexed hereto.

Your Directors are pleased to inform you that during the year, the Company has been awarded the Contract for the construction of Bhatan-B Twin Tube Tunnel, Mumbai-Pune Expressway by the Konkan Railway Corporation Ltd., amounting to Rs.95 Million. The work has already been started.

The details of earnings and expenditure in Foreign Currency are given in Note Nos. 17(a) and (b) of the Schedule "L" to the Statement of Accounts.

There is no specific information to report with regard to the disclosures of particulars of conservation of energy and technology absorption as the Company is not covered by the Rules prescribed in this behalf.

Your Directors take pleasure in expressing their sincere thanks to the Clients, the Central and the State Governments, Semi Government Organizations, the Financial Institutions and the Company's Bankers, all other Agencies and Business Associates for their continued cooperation, guidance and support extended to the Company in carrying out its business at all times.

Your Directors are also pleased to put on record their appreciation for the hard and sincere services rendered by all the officers, staff and workers for carrying out operations of the Company successfully in the present trying circumstances.

Shri M S Basi and Shri K S Basi, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment. Your Directors are pleased to recommend their re-appointment.

M/s V Sankar Aiyar & Co., Chartered Accountants, New Delhi, the retiring Auditors, being eligible, offer themselves for re-appointment and it is proposed to re-appoint them.

Particulars of the employees under section 217(2A) of the Companies Act, 1956, are given in the Annexure forming part of this Report.

for and on behalf of the Board

**C L VERMA**  
**CHAIRMAN & MG. DIRECTOR**

Place : New Delhi.

Dated : 18th August, 1998





## 35TH ANNUAL REPORT 1997-98

**INFORMATION PURSUANT TO SUB-SECTION 2A OF SECTION 217 OF  
THE COMPANIES ACT, 1956**

S. No.	Name of the Employee	Designation	Nature of Employment whether Contractual or otherwise	Other terms and conditions	Qualifications	Experience Years	Date of Commencement of service	Remuneration received	Age	last Employment held & designation
Sarvshri										
1	C.L. Verma	Chairman & Managing Director	Contractual	As per Agreement	F.A.	52	13.12.62	1,085,775.00	77	-
2	Chandar Verma	Managing Director	Contractual	As per Agreement	B.E. (Civil), MEA, (Construction Management)	18	01.01.80	813,762.00	41	-
3	M.K. Verma	Executive Director	Contractual	As per Agreement	B.Sc. (Civil Engg.)	12	01.01.86	1,028,300.00	35	-
4	K.S. Soharu	Vice President	Otherwise	Regulations & Rules of Company's	B.A. (Hons.)	37	01.06.64	318,270.00	55	-
5	S. Venkataraman	Vice President	Otherwise		B.E., F.I.E., M.I.R.T., I.R.S.E.	45	15.10.81	343,002.00	66	Chief Engineer N. Rly., New Delhi
6	K.D. Kapoor	Vice President	Otherwise		B.Sc., Engg. (Civil)	49	27.07.82	326,637.00	74	Consultancy Engineer REW International Engg. Services New Delhi
7	T.B.S. Rao	Vice President	Otherwise		A.M.I.E. Post Graduate (Civil)	42	19.09.81	338,291.00	61	Continental Construction Ltd., KWS Project
8	N.K. Bahri	Vice President	Otherwise		F.I.S., F.I.V.	33	26.11.90	341,088.00	57	Construction Maintenance, A.A. Bin Hind, Bahrain
9	P.A. Kapur	Vice President	Otherwise		B.Sc., Engg.	43	29.05.92	347,607.00	66	Member Irrigation Bhakra Beas Management Board
10	S.S. Macker	Vice President	Otherwise	Company's	B.E. (Civil), M. Tech.	39	18.12.87	327,305.00	62	-
11	J.P. Singh	Vice President	Otherwise		B.E. (Civil)	28	01.05.91	346,500.00	53	Project Manager UP State Bridge Corpn. Ltd.
EMPLOYED FOR PART OF THE YEAR										
1	Gian Singh	Sr. Vice President	Otherwise	As per	DCE	59	01.01.63	531,169.00	76	Project Manager Bahri & Company (P) Ltd.
2	R.V. Seetharamaiah	Vice President	Otherwise		B.E., M.Tech, MIGS, FIIBE, MICI, MIME	2	02.09.96	139,797.00	59	General Manager Indian Rayon & Industries Limited
3	Abdul Azeem Subhani	Vice President	Otherwise		B.E. (Civil)	1	26.12.97	73,414.00	59	Chief Engineer Progressive Construction

**CONTINENTAL CONSTRUCTION LIMITED**

FORM NO. 23-AB  
(See Rule 7A)

Statement Containing Salient Features of Balance-Sheet and Profit and Loss Account etc.  
as per section 219(a)(b)(iv)

Name of the Company : Continental Construction Limited  
Abridged Balance Sheet as at 31.03.1998

Particulars	Figures as at the end of	
	Current Financial Year	Previous Financial Year
	Rs.	Rs.
<b>I. SOURCES OF FUNDS</b>		
<b>(1) Shareholders funds</b>		
(a) Capital		
(i) Equity	330,000,000	330,000,000
(ii) Preference	-	-
(b) Reserve and surplus		
(i) Capital reserve	136,500	136,500
(ii) Revenue reserve	1,006,000,000	1,021,315,703
(iii) Revaluation reserve	-	5081,378
(iv) Surplus in profit and loss account	141,286,656	79,020,461
<b>(2) Loan funds</b>		
(a) Debentures	-	-
(b) Public deposits	-	-
(c) Secured loans (other than debentures)	1,018,442,735	1,172,782,717
(d) Unsecured loans	24,302,880	29,484,380
<b>(3) Deferred Income Pending adjustment</b>	12,976,201	12,976,201
Total of (1) to (3)	2,533,144,972	2,650,797,340
<b>II. APPLICATION OF FUNDS</b>		
<b>(1) Fixed Assets</b>		
(a) Net block - (Original cost less depreciation)	151,952,250	157,388,777
(b) Capital work in progress	-	-
<b>(2) Investments</b>		
(a) Government securities	1,000	1,000
(b) Investment in subsidiary companies		
(a) Quoted	-	-
(b) Unquoted	200,441,432	200,441,432
(c) Others		
(a) Quoted	-	-
(b) unquoted	92,295,500	92,295,500