

ANNUAL REPORT 1999-2000



Borderless World
Endless Solutions





INDUJ ENERTECH LTD.

BOARD OF DIRECTORS

| | | |
|--------------------------|---|---------------------|
| Vikas S. Kasliwal | - | Chairman |
| Ambuj A. Kasliwal | - | Director |
| Nitin S. Kasliwal | - | Director |
| Mukul S. Kasliwal | - | Director |
| S. P. Banerjee | - | Director |
| S. C. Parakh | - | Director |
| Bahram Vakil | - | Director |
| V. K. Jain | - | Whole Time Director |

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COMPANY SECRETARY

Rekha Jagdale

REGISTERED OFFICE

"Avadh", Avadhesh Parisar,
G. K. Marg, Worli,
Mumbai - 400 018.

MAIN BANKERS

The United Western Bank Ltd.
Global Trust Bank Ltd
State Bank of Indore
Jankalyan Sahakari Bank Ltd.
Indian Bank
IDBI Bank Limited
Bank of India

IT DIVISION

"S. Kumars House",
Plot 60, Street No. 14,
MIDC, Marol, Andheri (East),
Mumbai - 400 093.

AUDITORS

M/s. LODHA & COMPANY

Chartered Accountants
Karim Chambers, Hamam Street,
Mumbai - 400 023.

M/s. MALPANI & ASSOCIATES

307, Chartered House,
297/299, Dr. Cawasji Hormasji St.,
Mumbai - 400 002.

SOLICITORS

M/s. LITTLE & CO.

Central Bank Building,
M. G. Road,
Mumbai - 400 023.

REGISTRARS & TRANSFER AGENTS

M/s. BIGSHARE SERVICES PVT. LTD.

E 2/3 Ansa Industrial Estate, Sakivihar
Road, Saki Naka,
Andheri (East),
Mumbai - 400 072.



NOTICE

Notice is hereby given that the sixth Annual General Meeting of the members of Induj EnerTech Ltd. will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Mumbai 400 001, on Saturday, 17th February, 2001 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 30th September 2000 and the Balance Sheet as at that date together with the reports of Auditors and the Directors' thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri S.P. Banerjee who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Bahram Vakil who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. Lodha & Co. and M/s. Malpani & Associates, Chartered Accountants as Joint Statutory Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to section 293 (1) (a) and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the mortgaging and/or charging by the Board of Directors of the Company of all the immovable properties of the Company wheresoever situate, present and future, and the whole or part of the undertaking of the company and/or creating a floating charge or hypothecation of all tangible and movable assets of the Company, present and future to or in favour of any Financial Institutions/ Banks/ Companies / Associations or any other Authority to secure rupee/foreign currency term loans/ Guarantees / Foreign Letter of Guarantees/Deferred Payment Guarantees/ non-convertible debentures / working capital advances /project finance loans/ equipment finance loans or any loan / advance, not exceeding Rs. 1000 crores (Rupees One Thousand Crores only) together with interest thereon at the respective agreed rates, compound/additional interest, liquidated damages, guarantee commission, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the lending institutions in terms of the loan agreement(s) to be entered into by the Company in respect of the said loans/ Guarantees and such security to rank pari passu with the mortgages and/or charges already created or to be created in future by the company or in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board of Directors".

By order of the Board
for **INDUJ ENERTECH LTD.**

Sd/-
Rekha Jagdale
Company Secretary

Place : Mumbai
Date : 17/1/2001



NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy/ proxies to attend and vote instead of himself / herself and a proxy need not be a member of the Company. Proxy forms should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
2. An Explanatory Statement pursuant to section 173 of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is appended hereto.
3. Members are requested to notify immediately any change in their address along with Pin Code Number to the Company / Share Transfer Agents.
4. The Register of Members and Share Transfer Books of the Company will remain closed on 16/2/2001 & 17/2/2001.
5. Dividend on share as recommended by the Board of Directors, if declared at the meeting will be paid to those shareholders whose names appear in the Register of Members as on 17/2/2001.
6. Members desiring any information as regards the Accounts are requested to write to the Company at least 5 days before the date of the meeting to enable the management to keep the information ready.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT pursuant to the provisions of section 173(2) of the Companies Act, 1956.

Item no. 6

The Company has planned to approach Banks / Institutions for the financial assistance. Under section 293(1)(a) of the Companies Act, 1956, the consent of the company in general meeting is required for mortgaging and / or charging by the Board of Directors of the Company of all the immovable properties of the Company wheresoever situate, present and future, and the whole or part of the undertaking of the company and/or creating a floating charge or hypothecation of all tangible and movable assets of the Company, present and future to or in favour of any Financial Institutions/Banks / Companies / Associations etc. to secure rupee/ foreign currency term loans/ Guarantees / Foreign Letter of Guarantees/Deferred Payment Guarantees/ non-convertible debentures / working capital advances /project finance loans/equipment finance loans etc. not exceeding the charge on the above mentioned assets of the Company above Rs. 1000 crores (Rupees One Thousand Crores only) together with interest thereon.

The Directors recommend the resolutions for approval by members.

None of the Directors is in any way interested or concerned in the proposed resolution.

By order of the Board
for **INDUJ ENERTECH LTD.**

Sd/-
Rekha Jagdale
Company Secretary

Place : Mumbai
Date : 17/1/2001

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the sixth Annual Report together with the Audited Statements of Accounts for the year ended on 30th September 2000.

FINANCIAL HIGHLIGHTS

The operating results of the company for the year under review are as follows:

(Amount in Rupees)

| Particulars | 1999-2000 | 1998-99 |
|---|--------------------|--------------------|
| Profit before depreciation & tax | 3,54,65,919 | 89,24,523 |
| Less : Depreciation | 7,11,462 | 1,25,741 |
| Profit before tax | 3,47,54,457 | 87,98,782 |
| Less: Prior period adjustments | — | 5,20,000 |
| Less : Provision for tax | 18,50,000 | 13,50,000 |
| Profit after tax | 3,29,04,457 | 69,28,782 |
| Profit brought forward from previous year | 95,07,323 | 92,38,541 |
| Surplus available for appropriation | 4,24,11,780 | 1,61,67,323 |
| Appropriation | | |
| Proposed Dividend | 60,00,000 | 60,00,000 |
| Provision for dividend tax | 13,20,000 | 6,60,000 |
| Transfer to general reserves | — | — |
| Balance carried to Balance Sheet | 3,50,91,780 | 95,07,323 |

DIVIDEND

The Board of Directors is pleased to recommend for your consideration dividend @ 1% (previous year 1%) for the year ended on 30th September 2000.

THE YEAR IN RETROSPECT

Your Company, Induj EnerTech Limited (formerly known as "S. Kumars Power Corporation Limited"), keeping in line with its business of promoting generation and distribution of Energy has been going on successfully with the ongoing implementation of the Maheshwar hydel project. Induj EnerTech Limited is emerging as a major player in the areas of Energy Generation, Energy Consulting and Energy & Fuel Trading.

Your Company has also ventured into the emerging sector of Information Technology offering products & services in the field of IT and IT-enabled services.

Induj EnerTech Ltd. has successfully made a foray into providing IT solutions, Offshore projects, Professional Services and Medical Transcription.

The first product from Induj EnerTech "SOLVIT – Retail", which is targeted at the retailers to solve their manifold business needs has been developed and launched. Adequate infrastructure and human resources for the business of Medical Transcription has already been developed.

Apart from a state-of-the-art Technology Centre in Andheri, Mumbai, your company has set up a representative office in the USA, which would act as the direct liaison between the hospitals/medical practitioners in USA and the transcription facility in India. This move is critical in order to ensure timely and efficient services to our clients.

Induj EnerTech has also ventured into Professional Services, providing US– based Fortune 500 Companies with high-skilled human resources.

Induj EnerTech has even made a foray into IT – Education. Your Company has tied up with leading educational institutions to help budding professionals to become proficient Medical Transcriptionists.

THE FUTURE

After making a successful foray into the field of IT and IT – enabled services, your company plans to emerge as a market leader in all the areas endeavoured.

Your Company is planning to endeavour into the emerging fields of Call Centre Management, Insurance claim Processing and Venture Incubation.

It is envisaged that the office in the USA will act as the marketing hub for all software products & services of Induj EnerTech.

*
10/10/2000

To consolidate its position in the fast growing technology market, your company is also planning to provide total automation solutions in the areas of Banking & Finance, Insurance, Healthcare, Migration Services, Supply Chain Management, Customer Relationship Management, ERP implementation.

DEMATERIALIZATION OF SHARES

With effect from 24th July 2000, as per the notification issued by the Securities and Exchange Board of India (SEBI), trading in the Equity Shares of your Company is permitted only in dematerialised form. To expedite quick dematerialisation of Equity Shares, your Company is offering transfer cum demat facility. Investors can avail this facility by sending the Share Certificates for transfer alongwith a request for dematerialisation.

DIRECTORATE

Shri S. P. Banerjee and Shri Bahram N. Vakil, retire by rotation and being eligible offer themselves for reappointment.

AUDITORS

M/s. Lodha & Co. and M/s. Maipani & Associates, Chartered Accountants, Mumbai, holds office as Joint Statutory Auditors upto the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Shareholders are requested to appoint them as Joint Statutory Auditors to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

The observations made by the auditors are self explanatory.

FIXED DEPOSITS

The Company has not accepted any Deposits from the public.

SUBSIDIARY COMPANIES

A statement pursuant to section 212 of the Companies Act, 1956 relating to Shree Maheshwar Hydel Power Corporation. Limited (a subsidiary company of Induj Eneritech Ltd.) has been given as an annexure to the Annual Report.

PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per the provisions of section 219 (1)(b)(iv) of the Companies Act 1956 the report and the accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary of the Company.

CONSERVATION OF ENERGY

The Company is committed to energy conservation at every stage of its operations. Various steps have been taken to reduce consumption of electrical energy by improved house keeping, monitoring the use of equipments, improvement of power factor etc.

TECHNOLOGY ABSORPTION

To keep pace with the technology revolution, the company has taken the steps to be part of the Information Super Highway. The Company is in tune with the changing trends of the modern communication and is effectively utilizing the Information Technology to readily assimilate and interpret the tremendous information flow pertaining to its business.

The Company has taken appropriate and effective steps to ensure that all critical systems were Y2K Compliant and with the contingency plan in place to control all possible risks arising out of it.

FOREIGN EXCHANGE EARNINGS AND OUTGO

| | | |
|---------|---|--|
| Earning | : | Rs. 1,39,35,984/- (Previous Year - NIL) |
| Outgo | : | Rs. 18,84,985/- (Previous Year - Rs. 24,469/-) |

ACKNOWLEDGMENT

The Directors wish to place on record their gratitude to all staff members for their valuable contribution to the Company, They also place on record the contribution & timely assistance of advisors, bankers and express their appreciation to all the Shareholders for their wholehearted and continuing support.

For and on behalf of the Board,

Sd/-

Place : Mumbai
Date : 12.10.2000

Vikas S. Kasliwal
Chairman



AUDITORS' REPORT

To
The Members,
Induj EnerTech Ltd.,

We have audited the attached Balance Sheet of Induj EnerTech Ltd (formerly S. Kumars Power Corporation Ltd.) as at 30th September, 2000 and also the annexed Profit and Loss Account for the year ended on that date and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988, issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 (hereinafter referred to as the "Act"), and on the basis of such checks as were considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books .
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report have been prepared in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India, referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable.
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to note no 6 in schedule 16 regarding non-ascertainment and non-provision of taxation liability for the second half of the year having consequential impact on the profit for the year, reserves & surplus and net current assets of the Company and read together with Significant Accounting Policies and other notes on accounts thereon give the information required by the Act in the manner so required and give a true and fair view :
 - (i) In case of the Balance Sheet, of the State of affairs of the Company as at 30th September, 2000 and
 - (ii) In case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For **Lodha & Co.**
Chartered Accountants

Sd/-

N.Kishore Bafna
Partner

For **Malpani & Associates**
Chartered Accountants

Sd/-

Shyam S. Malpani
Proprietor

Place : Mumbai
Dated : 12th October, 2000



ANNEXURE REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. We are informed that the fixed assets have been physically verified by the management during the year at reasonable intervals. No material discrepancies have been noticed on such physical verification.
2. The fixed assets of the Company have not been revalued during the year.
3. The inventory has been physically verified by the management at reasonable intervals during the year.
4. In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. No discrepancies were noticed on such verification between the book records and physical stocks.
6. In view of there being no inventory as at the close of the year, the questions of the valuation of inventory and consistency do not arise.
7. The Company has taken/granted interest-free unsecured loans from/to companies listed in the register maintained under section 301 of the Act. Other terms and conditions of such loans are, prima-facie, not prejudicial to the interest of the Company. As explained, there are no companies under the same management as defined under section 370(1B) (non-operative) of the Act.
8. In respect of loans or advances in the nature of loans given by the Company, the parties including employees are regular in repaying the principal amounts as stipulated and are also regular in payment of interest, wherever applicable.
9. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the services rendered by the Company are of specialised nature and suitable alternate sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of equipment and other assets and sale of services.
10. In our opinion, having regard to our comments in para 9 above and according to information and explanations given to us, the transactions of sale of goods and services made in pursuance of the contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rs. 50,000 or more in respect of each party, have been made at prevailing market prices. As informed there are no transactions for purchase of goods and materials and for sale of materials with such parties.
11. During the year, the Company has not accepted any deposits from the public within the meaning of section 58A of the Act and rules framed thereunder.
12. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
13. The Provident Fund dues have been regularly deposited during the year with the appropriate authorities and as explained, the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.
14. There was no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which was outstanding as at 30th September, 2000 for a period exceeding six months from the date it became payable.
15. The Company has a policy of authorising expenditure based on reasonable checks and balances. The policy is intended to ensure that expenses are authorised on the basis of contractual obligations or accepted business practices having regard to the Company's business needs and exigencies. In terms of these observations, we have not come across any expenses charged to revenue account which, in our opinion and judgement and to the best of our knowledge and belief, could be regarded as personal expenses.
16. The Company is not a sick industrial Company within the meaning of clause (o) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
17. In respect of trading activities of the Company, as explained to us, there were no damaged goods.
18. The services rendered by the Company, as explained, do not require allocation of man hours. However, in respect of the same internal control system needs to be strengthened to make it commensurate with the size of the Company and nature of its business. In our opinion, there is a reasonable system of authorisation at proper levels.

For **Lodha & Co.**
Chartered Accountants

Sd/-

N.Kishore Bafna
Partner

For **Malpani & Associates**
Chartered Accountants

Sd/-

Shyam S. Malpani
Proprietor

Place : Mumbai

Dated : 12th October, 2000

BALANCE SHEET AS AT 30TH SEPTEMBER, 2000

| Particulars | Schedule | Amount (Rs.) | As At 30.09.00 Amount (Rs.) | As At 30.09.99 Amount (Rs.) |
|---|----------|--------------|-----------------------------------|-----------------------------------|
| SOURCES OF FUNDS | | | | |
| SHAREHOLDERS' FUNDS | | | | |
| Share Capital | 1 | 600,000,000 | | 600,000,000 |
| Reserves & Surplus | 2 | 35,121,780 | | 9,537,323 |
| | | | 635,121,780 | 609,537,323 |
| LOAN FUNDS | | | | |
| Secured Loans | 3 | 2,594,775 | | 722,812 |
| Unsecured Loans | 4 | 803,695,104 | | 718,160,717 |
| | | | 806,289,879 | 718,883,529 |
| | | | 1,441,411,659 | 1,328,420,852 |
| APPLICATION OF FUNDS | | | | |
| FIXED ASSETS | 5 | | | |
| Gross Block | | 19,243,696 | | 2,360,943 |
| Less: Depreciation | | 1,764,825 | | 213,899 |
| Net Block | | | 17,478,871 | 2,147,044 |
| PRE-OPERATIVE EXPENSES(PENDING ALLOCATION) | 6 | | 29,665,096 | — |
| INVESTMENT | 7 | | 1,260,805,000 | — |
| CURRENT ASSETS, LOANS & ADVANCES | 8 | | | |
| Current Assets | | 34,074,142 | | 1,273,723,753 |
| Loans & Advances | | 92,649,895 | | 171,018,765 |
| | | 126,724,037 | | 1,444,742,518 |
| Less:CURRENT LIABILITIES & PROVISIONS | 9 | | | |
| Current Liabilities | | 33,325,272 | | 112,473,451 |
| Provisions | | 11,040,000 | | 8,530,000 |
| | | 44,365,272 | | 121,003,451 |
| Net Current Assets | | | 82,358,765 | 1,323,739,067 |
| MISCELLANEOUS EXPENDITURE | 10 | | 51,103,927 | 2,534,741 |
| (to the extent not written off or adjusted) | | | | |
| | | | 1,441,411,659 | 1,328,420,852 |
| Significant Accounting Policies and Notes on Accounts | 16 | | | |

As per our attached report of even date.

For **LODHA & CO.**
Chartered Accountants

Sd/-

N. Kishore Bafna
PartnerFor **MALPANI & ASSOCIATES**
Chartered Accountants

Sd/-

Shyam S. Malpani
Proprietor

For and on behalf of the Board

Sd/-

V. S. Kasliwal
Director

Sd/-

M. S. Kasliwal
Director

Sd/-

V. K. Jain
Whole Time Director

Sd/-

Rekha Jagdale
Company SecretaryPlace : Mumbai
Dated : 12th October, 2000Place: Mumbai
Dated: 12th October, 2000



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER , 2000

| Particulars | Schedule | Current Year Amount (Rs.) | Previous Year Amount (Rs.) |
|---|----------|---------------------------|----------------------------|
| INCOME | | | |
| Sales and Services | 11 | 78,265,844 | 36,715,380 |
| Other Income | 12 | 4,679,925 | 2,479,253 |
| Increase in Stock | 13 | — | 610,000,000 |
| Total (I) | | 82,945,769 | 649,194,633 |
| EXPENDITURE | | | |
| Purchase of Shares (Subscription/acquisition of shares) | | — | 610,000,000 |
| Purchases - Others | | 958,800 | — |
| Operative Expenses | 14 | 24,057,797 | 14,692,442 |
| Financial Charges | 15 | 22,136,311 | 15,250,726 |
| Depreciation | | 711,462 | 125,741 |
| Preliminary Expenses Written Off | | 26,932 | 26,932 |
| Share Issue Expenses Written Off | | 300,010 | 300,010 |
| Total (II) | | 48,191,312 | 640,395,851 |
| Profit for the Year before tax (I-II) | | 34,754,457 | 8,798,782 |
| Provision for Income Tax | | 1,850,000 | 1,350,000 |
| Profit for the Year after tax | | 32,904,457 | 7,448,782 |
| Income tax for earlier years | | — | 520,000 |
| Balance brought forward | | 9,507,323 | 9,238,541 |
| Balance available for appropriations | | 42,411,780 | 16,167,323 |
| Appropriation | | | |
| Transferred to General reserve | | — | — |
| Proposed Dividend | | 6,000,000 | 6,000,000 |
| Corporate Tax on Dividend | | 1,320,000 | 660,000 |
| Balance carried to Balance Sheet | | 35,091,780 | 9,507,323 |
| | | 42,411,780 | 16,167,323 |
| Significant Accounting Policies and Notes on Accounts | 16 | | |

As per our attached report of even date.

For **LODHA & CO.**
Chartered Accountants

Sd/-

N. Kishore Bafna
Partner

For **MALPANI & ASSOCIATES**
Chartered Accountants

Sd/-

Shyam S. Malpani
Proprietor

For and on behalf of the Board

Sd/-

V. S. Kasliwal
Director

Sd/-

M. S. Kasliwal
Director

Sd/-

V. K. Jain
Whole Time Director

Sd/-

Rekha Jagdale
Company Secretary

Place : Mumbai
Dated : 12th October, 2000

Place: Mumbai
Dated: 12th October, 2000