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# 19th ANNUAL REPORT 2002 - 2003

KALINDEE RAIL NIRMAN (ENGINEERS) LIMITED

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Shri R. D. Sharma	Chairman cum Managing Director
Shri S. D. Sharma	Wholetime Director
Shri Arvind Gemini	Wholetime Director
Shri S. P. Sharma	Wholetime Director
Shri Niraj Kumar Singh	Director
Shri S.K. Khanna	Director
Shri Shanti Narain	Director
Shri S. P. Mehta	Director

1. COMPANY SECRETARY		Shri Anil Sharma
2. AUDITORS	:	M/s R. K. Gurwala & Co. Chartered Accountants, Aluda House, SMS Highway Jaipur
3. REGISTRAR FOR DEMAT & PHYSICAL TRANSFER	÷	Computech International Ltd. 212 A, Ground Floor, Shahpur Jat, New Delhi
4. BANKERS	:	IDBI Bank Ltd. C-Scheme, Jaipur Canara Bank Barakhamba Lane, New Delhi
5. SECRETARIAL CONSULTANTS	:	M/s A. Chadha & Associates Company Secretaries New Delhi

### **REGD. OFFICE**

F-5, Gautam Nagar, Gulmohar Park Road,

New Delhi - 110049

PABX : 0091-11-26965440 Tele/Fax : 0091-11-26851279 E-mail : kalindee@vsnl.com

#### **CORPORATE OFFICE**

"Silver Oak", C-4, S.J.S. Highway, Bani Park, Jaipur - 302 016

PABX : 0091-141-2202733, 2200992

Tele/Fax: 0091-141-2202658 E-mail: kalindee@sancharnet.in



# NOTICE

NOTICE is hereby given that 19th Annual General Meeting of the Members of KALINDEE RAIL NIRMAN (ENGINEERS) LIMITED will be held on Thursday, the 30th October, 2003 at 10:00 a.m. at PHD Chamber of Commerce and Industry, PHD house, Opp. Asian Games Village, New Delhi-110016 to transact the following business: -

#### A. ORDINARY BUSINESS:

- Item No. 1 To receive, consider and adopt the Audited Balance Sheet.as at 31st March 2003, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
- Item No. 2 To appoint a Director in place of Dr. N. K. Singh, who retires from office by rotation and being eligible, offers himself for reappointment.
- Item No. 3 To appoint a Director in place of Shri S. K. Khanna, who retires from office by rotation and being eligible, offers himself for reappointment.
- Item No. 4 To appoint Auditors and to fix their remuneration and in connection therewith to pass, with or without modification (s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT M/s Prem Arun Jain & Co., Chartered Accountants, Prem Villa, B-3/19 DLF City, Phase I, Gurgaon, from whom certificate pursuant of section 224 (1B) of the Companies Act, 1956 has been received, be and are hereby appointed as Auditors of the Company in place of the retiring Auditors M/s R. K. Gurwala & Co., Chartered Accountants, Aluda House, Jaipur, to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company:"

#### **B. SPECIAL BUSINESS:**

Item No. 5 To consider and if thought fit, to pass with or without modification (s), the following resolutions as an Ordinary Resolution:

"RESOLVED THAT Shri Shanti Narain, who was appointed as an Additional Director of the Company by the board of Directors pursuant to Section 260 of the Companies Act, 1956 to hold office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Item No. 6 To consider and if thought fit, to pass with or without modification (s), the following resolutions as an Ordinary Resolution:

"RESOLVED THAT Shri S.P.Mehta, who was appointed as an Additional Director of the Company by the board of Directors pursuant to Section 260 of the Companies Act, 1956 to hold office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Item No. 7 To consider and if thought fit, to pass with or without modification (s), the following resolutions as a Special Resolution:

"RESOLVED THAT pursuant to Regulation 5 of Securities and Exchange Board of India (Delisting of Securities) Regulations, 2003 and all other applicable laws, rules, regulations, guidelines, (including any statutory modification/(s) or enactment's thereof for the time being in force and as may be enacted hereinafter) and subject to approvals/ permissions, if any from the Regulatory Authorities and/or Government Departments as may be required for this purpose approval be and is hereby given for delisting of equity shares (including equity shares that may be issued and listed in future) of the Company with immediate effect from the following Stock Exchanges:

- 1. The Stock Exchange, Ahmedabad,
- 2. Madras Stock Exchange Ltd., Chennai
- 3. Jaipur Stock Exchange Ltd., Jaipur,
- 4. The Calcutta Stock Exchange Association Ltd., Kolkata

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred by the Board), be and is hereby authorised to seek voluntary delisting at such time, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to delisting of the Equity Shares from the said stock exchanges and to execute all such deeds, documents, writings as may be necessary, desirable or expedient or as may be deemed fit and for this purpose to delegate the authority and the duty vested in it by virtue hereof to any other person whom the Board may consider suitable, to do the various acts, deeds and things required to be done in this behalf."

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Item No. 8 To consider and if thought fit, to pass, with or without modification the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), SEBI guidelines for preferential issue and allotment of securities by private placement and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements entered into by the Company with the various Stock Exchanges where the shares of the Company are listed and/or subject to the approval of Securities and Exchange Board of India (SEBI)/RBI/Government and all other concerned authorities, if any and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board") and /or duly authorised committee thereof for the time being exercising the power conferred by the Board, the consent of the Company be and is hereby accorded to the Board to make preferential issue and allotment by private placement of Equity Shares, as the Board at its sole discretion may at any time or times hereafter decides for Equity Shares to be issued/offered and allotted to the Foreign Nationals /Flls/Non residents / Foreign Investors on preferential basis by private placement, in one or more trench(es), at such price or prices including premium, if any, calculated in accordance with SEBI guidelines for Preferential Allotment of shares and other applicable laws as in force or in such manner as the Board or committee thereof may in its absolute discretion think fit in consultation with Merchant Banker (s), Advisors and such other persons, and on such terms and conditions including number of Equity Shares to be issued, face value, premium, the number of Equity Shares to be allotted and other related /incidental matters subject to the conditions that amount raised from time to time, in one or more trench (es) by issue/allotment of Equity Shares., shall not exceed Rs 15,00,00,000/- (Rupees Fifteen Crores Only) including premium, if any. The allotment would be in the manner decided by the Board of Directors."

"RESOLVED FURTHER THAT such to these Equity Shares to be issued, as are not subscribed may be disposed by the Board/Committee to such persons and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company including offering or placing them with the Foreign Nationals/ Non residents/ Banks/ Financial Institutions/ Investment Institutions/Mutual Funds/ Foreign Institutional Investors or such other persons or otherwise as the Board in its absolute discretion think most beneficial to the Company."

"RESOLVED THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds of the issue of Equity Shares and further to do all such acts, deeds matters and things and to finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient as it may deem fit."

"RESOLVED FURTHER THAT the Board/Committee be and is hereby authorised to issue and allot such number of Equity Shares as may be necessary pursuant to the terms of issue, all such Equity Shares to rank pari passu with the existing Equity Shareholders of the Company in all respects, except the rights as to dividend as may be provided under the terms of the issue."

"RESOLVED FURTHER THAT the Board be and is also hereby authorised and entitled to enter into and execute all such arrangements with any Lead Managers/Managers/ Merchant Bankers/ Underwriters/Guarantors/ depositories/ Custodians and all such agents or intermediaries as may be involved or concerned in such offerings of Equity Shares and to remunerate all such agents or intermediaries including by way of payment of commission, brokerage, fees or the like and to reimburse to them and incur all the expenses relating to the issue including documentation, travel, printing ,listing fee or the like and also to seek listing of securities where the shares of the Company are listed and if required, with other recognized stock exchanges."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers to any committee of Directors of the Company to give effect to the aforesaid resolution."

For and on behalf of the Board

Sd/-

(R.D.SHARMA)
Chairman cum Managing Director

29.09. 2003 Regd. Office: F-5, Gautam Nagar, Gulmohar Park Road, New Delhi-110049

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#### NOTES:

- 1. The information required to be provided under the listing Agreement entered into with various Stock Exchanges regarding the directors who are proposed to be appointed/re-appointed is annexed hereto.
- 2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 3. The explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of special business, under item 5 to 8 above, is annexed hereto and forms part of this notice.
- 4. The Register of Members and the Share Transfer Books of the Company will remain closed from 28th Oct. 2003 to 30th Oct. 2003 (both days inclusive).
- 5. Members are requested to notify immediately any change of address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company at its Registered Office or its Registrar and Share Transfer Agent M/s. Computech International Ltd., 212A, Ground Floor, Shahpur Jat, New Delhi-110055 in respect of their physical share folios. Members holding shares in the same name (s) but under different folios are requested to apply for consolidation of share folios and send the relative Share Certificates to the Company's Registered Office or its Registrar and Share Transfer Agent as mentioned above for making necessary entries.
- 6. All documents referred to in the Notice and Explanatory Statements are open for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and Public Holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
- 7. Members desiring any information as regards the Accounts are requested to write to the Registered Office at least 7 days before the date of the meeting, so as to enable the management to keep the information ready at the meeting.

#### INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

Dr. N. K. Singh Age: 42 years

Qualification: M.A, Ph.D

Experience: 22 years business experience in Industry, International Trade, Finance & Business Administration

No. of other companies in which he is Director: 5

Sri S. K. Khanna Age: 63 years

Qualification: B.E. (Hons.), IRSEE

Experience: 37 years in top echelons of Railway Administration

Ex Member (Electrical), Railway Board, New Delhi No. of other companies in which he is Director: NIL

Sri Shanti Narain Age: 62 years

Qualification: M.Sc. (Mathematics)

Experience: 21 years in top echelons of Railway Administration

Ex Member (Traffic), Railway Board, New Delhi No. of other companies in which he is Director: NIL

Sri S. P. Mehta Age: 62 years

Qualification: M.Sc. Engineering (Highway)

Experience: 38 years in top echelons of Railway Administration

Ex General Manager, Northern Railway, New Delhi No. of other companies in which he is Director: NIL

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#### ANNEXURE TO THE NOTICE

### Explanatory Statement pursuant to Section 172 (2) of the Companies Act, 1956

Item No. 5

Shri Shanti Narain was appointed as an Additional Director of the Company with effect from 20.06.2003 pursuant to section 260 of the Companies Act, 1956 and he holds office upto the date of this Annual General Meeting. A notice together with the requisite deposit as required under Section 257 of the Companies Act, 1956 has been received from a member proposing the appointment of Shri Shanti Narain as a Director of the Company at the ensuing Annual General Meeting of the Company.

The Board of Directors of the Company consider the appointment of Shri Shanti Narain, as a Director of the Company, beneficial and in the interest of the Company by availing guidance and advice of Shri Shanti Narain and accordingly recommends his appointment as Director of the Company.

None of the Directors of the company except Shri Shanti Narain is in anyway concerned or interested in the resolution.

Item No. 6

Shri S.P.Mehta was appointed as an Additional Director of the Company with effect from 20.06.2003 pursuant to section 260 of the Companies Act, 1956 and he holds office upto the date of this Annual General Meeting. A notice together with the requisite deposit as required under Section 257 of the Companies Act, 1956 has been received from a member proposing the appointment of Shri S.P.Mehta as a Director of the Company at the ensuing Annual General Meeting of the Company.

The Board of Directors of the Company consider the appointment of Shri S.P.Mehta ,as a Director of the Company, beneficial and in the interest of the Company by availing guidance and advice of Shri S.P.Mehta and accordingly recommends his appointment as Director of the Company.

None of the Directors of the company except Shri S.P.Mehta is in anyway concerned or interested in the resolution.

Item No. 7

Presently the Equity Shares of the Company are listed on The Delhi Stock Exchange Association Ltd., New Delhi, The Jaipur Stock Exchange Ltd., Jaipur, The Stock Exchange, Mumbai, The Calcutta Stock Exchange Association Ltd., Calcutta, The Ahmedabad Stock Exchange, Ahmedabad, The Madras stock Exchange, Chennai. Consequent to the technological developments, the Shares of the Company are traded all over India through on-line terminals provided by the Stock Exchange, Mumbai (BSE). There is no trading/ negligible trading of the Company's Share on other Stock Exchanges. In view of this, it is proposed to delist the Company's Shares from The Jaipur Stock Exchange Ltd., Jaipur, The Calcutta Stock Exchange Association Ltd., Calcutta, The Ahmedabad Stock Exchange, Ahmedabad, The Madras stock Exchange, Chennai as stated in the resolution. No inconvenience will be caused to those shareholders residing in the respective regions, since on-line terminals are provided by the BSE at these regions. Further, listing of the Company's Shares in many Stock Exchanges, apart from not adding any value to the Shareholders, results in avoidable cost, administrative work, delay and inconvenience

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

Item No 8

As you are aware that your company is an established player particularly in Railway construction field. Your Company has registered a good growth of about 35% during the year ended 31st March, 2003. With the procurement of large size prestigious contract from Delhi Metro against tough global competition during the current year, your company is poised to grab high value projects consistently in the years to come. And therefore, your company visualizes capital deficit in order to cope up with the working fund requirement. Hence your Company proposes to utilise the proceeds of the Preferential Issue to fund the growing working capital needs to enable your company to cater to the growing work opportunities to be available in the market.

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

Pursuant to the provisions of section 81 (1A) of the Companies Act, 1956 read with SEBI guidelines the Board of Directors of the Company recommends passing of the above resolution.

For and on behalf of the Board

Sd/-

29.09.2003

Regd. Office:

F-5, Gautam Nagar, Gulmohar Park Road, New Delhi-110049

(R.D.SHARMA)

Chairman cum Managing Director



#### DIRECTORS' REPORT

To, The members.

Your Directors have pleasure in presenting the company's 19<sup>th</sup> Annual Report together with the Audited Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2003.

#### **ECONOMIC ENVIRONMENT:**

The rate of growth in India's Gross Domestic product (GDP) during the fiscal year 2002-03 was about 4.1%. An unbalanced monsoon leading to deficient rains in several pockets of the country and consequent decline in the agricultural sector output coupled with continued sluggishness in world economy and the heavy stand-off in the Gulf resulted in low economic growth despite external economy factor showing good growth particularly at export front and consistently rising forex reserves. The growth in GDP was mainly due to the increased role of services and industrial sector. Despite recovery in the industrial sector, investment climate remained subdued having impact on construction industry as well.

However construction industry being the basic tool in infrastructure growth have tremendous scope. Road sector alone has been envisaged for investment of about Rs. 50,000 crores in next few years. Terrific growth is planned in Shipping & Ports, Telecom, Railways modernisation & expansion etc. depicting unparalleled business scope to construction industry in coming years.

#### Financial results:

In the background of subdued economic climate during the year under review, your company's business has also been affected. However despite somewhat subdued economic scenario, your company has been able to show substantial improvement in business during the year in comparison to the previous year.

*	31.03.2003	31.03.2002		
	(Rs.)	(Rs.)		
T	00 47 04 400	00 00 50 000		
Turnover	30,47,31,188	22,83,58,609		
Other Income	55,84,744	29,30,930		
Profit before Dep. & Tax	1,60,98,207	1,21,42,397		
Less: Depreciation	34,07,301	35,15,819		
Profit Before Tax	1,26,90,906	86,26,578		
Current & Deferred Tax Prov. (Net)	56,40,193	30,78,837		
Prior Period Adj.	(+) 42,18,113	(+) 9,61,481		
Profit after Tax	1,12,68,826	65,09,222		
Surplus available for appropriation	1,12,68,826	65,09,222		
Appropriation:				
General Reserve	10,00,000	10,00,000		
Balance carried over to Balance Sheet	1,02,68,826	55,09,022		

#### Achievements:

Your company has been continuing to maintain management excellence and quality and accordingly ISO 9002 certification awarded to your company is continuing after company being subjected to continuous audit by certification agency during the year under review.

Our efforts to grab high value contracts have borne fruit and your company has been recently awarded a very prestigious contract by Delhi Metro Rail Corporation for construction and commissioning of Metro Corridor between Delhi University to Central Secretariat (route length 11 Kms tunnel) and Khyber Pass Depot trench work (about 14 Kms track work) including 10 stations of Metro Corridor against tough global competition.

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#### **FUTURE PLANS/ OUTLOOK:**

Procurement of high value Delhi Metro contract against tough global competition is bound to place your company altogether on a different platform. It has added value and prestige to your company. Based on this exposure, technical and managerial competency of the company will get demonstrated for claiming other high value contracts within the country and abroad. No. of potential competitors remaining in fray will get reduced. DMRC work is expected to continue upto 2021 and also Metro Rail is likely to come in other Metro cities in India e.g. Bangalore, Hyderabad, Chennai etc. and therefore this is well established that order book position of your company is expected to become more and more bright in years to come.

Your company is also making serious attempts to win large railway contracts overseas and a work contract of sizeable value in Malaysia is expected to come to your company's fold in near future.

Technology tie up with French Multinational for this DMRC contract is expected to induce other overseas large corporates to your company as joint partner in their efforts to bid for other large works in India.

Yours directors look forward to the future with confidence the expectation of strong performance of your Company's business in times to come

#### **FIXED DEPOSIT:**

The company has neither invited nor availed any fixed deposits during the year under review.

#### **DIVIDEND:**

Your Directors consider it in the best interest of the Company to conserve its resources for strengthening the Company's financial position to accomplish its future plans. As such, the Directors do not recommend any dividend for this year.

#### DIRECTORS:

Shri N.K.Singh and Shri S.K.Khanna retire by rotation and being eligible, offer themselves for re-appointment. The Board recommends reappointment of Shri N.K.Singh and Shri S.K.Khanna.

Shri M.L.Mehta has ceased to be Director. Your Directors acknowledge his valuable contribution and guidance to the company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under section 217(2AA) of the Companies Act, the Directors hereby confirm that :

- (a) in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors had, as far as possible, taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of their knowledge and ability;
- (d) the Directors have prepared the Annual Accounts on a going concern basis.

#### **PARTICULARS OF EMPLOYEES:**

During the year under review no employees whether employed for the whole or part of the year was drawing remuneration exceeding the limits as laid down u/s 217(2A)of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975. Hence the details required u/s 217(2A) are not given.

#### PARTICULARS OF ENERGY, CONSERVATION, TECHNOLOGY ABSORPTION ETC.

In view of the nature of operations of your company, the information required under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, in respect of Conservation of energy, Technology Absorption and R & D is nil.

There was neither any foreign earnings nor any out-go, during the year under report.