

MD	✓		BKC	✓
CS	✓		D?Y	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

14th Annual Report 1996-97

Report  junction.com

Structural Precast Prestressed Concrete
STRESSCRETE
INDIA LIMITED

STRESSCRETE INDIA LIMITED

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BOARD OF DIRECTORS

Mr. Arvind B. Shah
Chairman and Managing Director
Dr. Kanu J. Patel (NRI)
Mr. Sanjeev P. Puri
Mr. Bharat B. Shah, Whole-time Director
Mrs. Arti J. Gandhi, Whole-time Director.
Mr. Hemant Patki - Nominee - SICOM Ltd.

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BANKERS

United Bank of India
Development Credit Bank Limited

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AUDITORS

Chokshi & Chokshi
Chartered Accountants

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Registered Office :

510, Balarama, Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051.

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of Stresscrete India Limited will be held on Tuesday the 30th September, 1997 at 3.00 p.m. at Shri Lakhamshi Napoo Sabha graha, Matunga, Mumbai - 400 019 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1997, the Profit & Loss Account for the year ended on that date and the Reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Dr. Kanu J. Patel who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modifications the following as a special Resolution :

"RESOLVED THAT pursuant to the provisions of section 146 of the Companies Act 1956, the consent is hereby given for shifting of Registered office of the Company from 510, Balarama, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 to Survey No.35/10, Lohop Village, Near Vithobha Industrial Estate, Khalapur Taluka, Raigad District, with immediate effect."

RESOLVED FURTHER THAT the Notice of shifting of Registered Office be given to the Registrar of Companies, Maharashtra and all other concerned Authorities."

By Order of the Board of Directors

MUMBAI

DATED : 11th August, 1997

ARTI J. GANDHI

DIRECTOR

NOTES :

- i) A Member entitled to attend and vote is entitled to appoint a proxy and such proxy need not be a member of the Company. 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.
- ii) Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 in respect of Resolution set out under item 4 above is annexed hereto.
- iii) The Register of Member and Transfer Books of the Company will remain closed from Friday, 26th September 1997 to Tuesday 30th September, 1997 (both days inclusive) for the purpose of Annual General Meeting.
- iv) Members are requested to notify change in their address if any, quoting their folio No. to the following address of the Registrar and Share Transfer Agents of the Company.

M/s. On time Professional Services Pvt. Ltd.

3, R.R. Thakkar Marg,

Jai Bhavani Premises,

Malabar Hill,

MUMBAI - 400006.

ANNEXURE TO NOTICE :

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956

ITEM NO. 4

The Company's Plant for the manufacturing of large Panels for Buildings, Industrial Structures, etc. of composite Precast Prestressed Concrete at Lohop Village, Dist. Raigad in Maharashtra has started functioning. Each job undertaken by the Company is highly technical and requires continuous concentration and follow up by Technical and Civil Experts. This requires on the job presence of team of experts and management control and planning. Moreover the Company is facing the difficulty of space constraint at its existing Registered Office in Mumbai and it has become administratively difficult to manage the affairs of the Company.

In the light of the above it has been decided to shift the Registered Office of the Company from Mumbai to Factory at Raigad District for the better administrative and managerial control.

The shifting of Registered Office from one District to another District within the same State requires the consent of the Members in General Meeting pursuant to the provisions of Section 146 of the Companies Act, 1956 and hence the Resolution is recommended to the Members of the Company.

None of the Directors is concerned or interested in the Resolution.

By Order of the Board of Directors

ARTI J. GANDHI
DIRECTOR

MUMBAI

DATED : 11th August, 1997

STRESSCRETE INDIA LIMITED

14th Annual Report 1996-97

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Fourteenth Annual Report and the audited Annual Accounts of the Company for the year ended 31st March 1997.

FINANCIAL RESULTS	Year ended 31/3/1997 (Rs. in lacs.)	Year ended 31/3/1996 (Rs. in lacs.)
Sales & other income	88.16	135.47
Profit before depreciation, Interest and Tax	5.80	23.72
Interest	3.32	3.75
Depreciation	2.11	8.05
Income-Tax	0.10	2.51
Profit after Tax	0.27	9.41
Add : Balance B/f.	13.08	3.97
Balance C/f. to Balance sheet after prior years adjustments	12.06	13.08

The performance of the Company during the year under review was adversely affected mainly because of the General slackness in the construction industry which resulted in not receiving the confirmed orders though many enquiries were sought by the prospective clients. Moreover the Company faced the paucity of funds on account of delay in sanctions.

STATUS OF THE LOHOP PROJECT :

The setting up of the composite Precast Prestressed Concrete Plant at Lohop Village, Dist. Raigad to manufacture large panels for Buildings, Industrial Structures, etc. is in the advance stage of completion and would be executing orders in hand.

Statement under Clause 43 of the standard Listing Agreement (performance of the Company Vis-a-vis projections made in the prospectus dated 9th November 1995):

Sr. No.	Particulars	Projected for (Rs.in lacs.)	Actual for (Rs.in lacs.)
A.	Projected utilisation of funds/actual utilisation of funds :		
	The projected utilisation of fund for the year 1995-96 was Rs.430.00 lakhs (excluding working capital Rs.80.00 lakhs). The actual utilisation of funds upto 1996-97 is Rs.380.00 lakhs.		
B.	Performance :	Projections for 1996-97 (Rs. in lakhs)	Actual for 1996-97 (Rs. in lakhs)
1.	Sales	756.35	83.38
2.	Profit before tax	43.13	0.37
3.	Profit after tax	35.60	0.27
4.	Earning per share (Rupees)	1.87 *	0.007

* Amortised

The performance of the Company was affected mainly due to slackness in building Construction activities, slower implementation of Govt. and other construction projects and the paucity of funds on account of delay in sanctions.

DIRECTORS ;

Dr. Kanu J. Patel, Director will be retiring by rotation at the ensuing Annual General meeting of the company and being eligible, offer himself for re-appointment.

The Company has pursuant to the provisions of Articles of Association and under the instructions of SICOM Ltd., has appointed Mr. Hemant M. Patki, as the Nominee Director of SICOM Ltd. with effect from 20th June, 1997

AUDITORS :

M/s.Chokshi & Chokshi, Chartered Accountants retire at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment.

AUDITORS' REPORT :

The remarks made by the Auditors in their Report vide Para (3), are self-explanatory and therefore do not call for any further comments on the Auditors' Report.

PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956.

There are no employees who were employed throughout the financial year and were in receipt of remuneration which in aggregate was not less than Rs.3,00,000/- for the financial year or were employed for the part of the financial year and were in receipt of remuneration at a rate which in aggregate was not less than Rs.25,000/- per month.

CONSERVATION OF ENERGY :

Your Company is not covered by the Schedule of the industries which are required to furnish information in Form 'A' and 'B' under Section 217 (1) (e) of the Companies Act, 1956.

FOREIGN EXCHANGE EARNING AND OUTGO

Total Foreign Exchange paid for know-how fees and out-of-pocket expenses for the year ended 31/3/1997 Rs. 3,28,356/- (Net of Taxes)

ACKNOWLEDGEMENT :

The Directors wish to thank the Customers, the Bankers, Financial Institutions, Shareholders and the Government Departments for their continued support. The Directors also take this opportunity to record their appreciation for the contribution made by all employees to the operation of the Company during the year.

On behalf of the Board of Directors

A. B. SHAH
Chairman

DIRECTOR
MUMBAI

DATED : 11th August, 1997

AUDITOR'S REPORT

To,
The Members of
STRESSCRETE INDIA LIMITED.

We have audited the attached Balance sheet of STRESSCRETE INDIA LIMITED, as at 31st March 1997 and Profit and Loss Account of the Company 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, as applicable to a manufacturing & service company, we enclose in the Annexure a 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 :
 - (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 & Profit and Loss Account dealt with by this Report are in agreement with the Books of Accounts.
- 3) In our opinion, and to the best of our information and according to the explanations given to us, the Accounts subject to :
 - i) In the absence of individual confirmation of Debtors of Rs.40,26,918/-, Creditors of Rs.59,05,663/-, and Deposits of Rs.31,26,142/- (Refer Note No.12(a) of Schedule R) same are taken as correct as per the Books of Account.
 - ii) In determination of Work-in Progress, escalations are based on individual technical judgement of a Director, the effect of which on overstatement of profits of the Company is not quantified and relied upon by the Auditor (Refer Note No.5 of Schedule 'R')
 - iii) Interest on call money in arrears is being accounted by the company on cash basis.

The said accounts read together with other notes thereon, give the information required by the Companies Act, 1956 in the manner so 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 the affairs of the Company as at 31st March, 1997 and
- ii) In the case of Profit & loss Account of the Profit of the Company for the year ended on that date.

FOR CHOKSHI & CHOKSHI
CHARTERED ACCOUNTANTS

D.J. PARIKH
(partner)

MUMBAI
DATED : 11th August, 1997

ANNEXURE TO AUDITOR'S REPORT

Annexure Referred to in Paragraph 1 of the Auditors' Report to the Members of STRESSCRETE INDIA LIMITED on the accounts for the year ended 31st March 1997,

- 1) The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets. The management has informed to us that the physical verification has been conducted at the end of the year at various sites, by the site-in-charge except in respect of machinery given as security yet to be confirmed by other party. (Refer Note 12(b) of Schedule 'R'). According to the information and explanations given to us, no material discrepancies have been noticed on the verification. The frequency of the verification is considered reasonable considering the size and the nature of business of the Company.
- 2) None of the fixed assets of the company have been revalued during the year.
- 3) As explained to us, the Stocks of finished goods, stores & spares and raw materials of the Company at all its locations have been physically verified by the Management at the end of every month. As informed to us the work in progress is verified at the Site by site-in-charge by reasonable estimation linked to collection.
- 4) The Company is dealing in diversified contracts and the company is not maintaining day to day detailed records showing full particulars including quantitative details and valuation of stock, stores etc. However as informed to us, any unused Stock at the end of every month has been physically verified by the site-in-charge of the respective sites. In our opinion, the procedure of physical verification of stocks followed by the management is considered to be reasonable and adequate in relation to the size of the Company and the nature of its business.
- 5) Since the stock as physically verified is taken correct, and as the Company is not maintaining day to day records of stocks, the question of commenting on material discrepancies on such verification does not arise.
- 6) The basis of valuation of stock is fair and proper, and according to the normally accepted accounting principles and is on the same basis as in the preceeding year.
- 7) The Company has not taken any loans secured or unsecured from Companies, firms or other parties required to be listed in the register under section 301 of the Companies Act, 1956 or from Companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
- 8) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties required to be listed in the register u/s.301 of Companies Act, 1956 or to Companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956.
- 9) According to the information and explanations given to us the Company has granted interest free advances to the staff, which is being recovered regularly.
- 10) In our opinion and according to the information and explanations given to us, there are adequate internal controls in respect of all the items by a Director at Head Office and respective site-in-charge at various sites. Looking to the size of the business and nature of the records available to us, the same is considered to be reasonable, however needs to be strengthened.

- 11) In our opinion and according to the information and explanations given to us, no transactions for purchase of goods & materials and sale of goods, materials & services have been made, in pursuance of contracts or arrangements to be entered in the register required to be maintained u/s.301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party.
- 12) According to the information and explanations given to us, the Company has a procedure for physical verification at the end of the year for determination of unserviceable or damaged stores, raw materials and finished goods and as informed to us, the necessary adjustments for the loss arising on the items so determined, have been made in the accounts of the Company.
- 13) In our opinion and according to the information and explanations given to us the company has not accepted any deposits during the year from the public within the meaning of provisions of section 58 A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975.
- 14) As explained to us the Company does not have any by-products. A negligible amount of scrap has been generated during the year for which however no records are maintained.
- 15) Although paid up capital of the company exceeds requisite limit prescribed by the companies Act, 1956, there is no system of Internal Audit prevailing in the company except the Director supervises day to day work.
- 16) As informed to us the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for any of the products of the Company.
- 17) According to the information and explanation given to us, Company is regular in depositing Provident Fund dues with the appropriate authorities, except delay in few cases. As informed to us, provisions of E.S.I.C. is not applicable.
- 18) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Wealth Tax, Custom Duty and Excise Duty as at the 31st March, 1997 for a period of more than six month from the date they become due, except Works Contract Tax of Rs.6,82,935/-(Refer Note No.2 (a) (ii) and 2 (c) of schedule 'R') and Income Tax (TDS) of Rs.6,26,627/- provided by the Company.
- 19) According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to profit and loss account, other than those payable under contractual obligations or in accordance with the generally accepted business practice.
- 20) 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.
- 21) The Company have site offices at various places where the jobs are done under the supervision of a Senior Officer. Since each job has a specific Officer, allocation of man hours to the respective jobs is not required.

For CHOKSHI & CHOKSHI
CHARTERED ACCOUNTANTS

D.J.PARIKH
 (Partner)