



19th Annual Report 2001-2002



COMPANY WITH A CONCRETE BASE

STRESSCRETE INDIA LIMITED



BOARD OF DIRECTORS

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



BANKERS

Development Credit Bank Limited



AUDITORS

Chokshi & Chokshi
Chartered Accountants



Registered Office :

Survey No. 35/10, Lohop Village, Khalapur Taluka, Raigad District.

Corporate Office :

Ground Floor, Chadha Building, Plot No. 95, Scheme No. 57,
Sewri-Wadala Estate, Wadala (W), Mumbai - 400 031.
Tel. : 418 3322 Fax : 418 1665 Email : screte@bol.net.in

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Stresscrete India Limited will be held on Friday, 27th September 2002 at 3.00 p.m. at the Registered Office of the Company at Survey No.35/10, Lohop Village, Khalapur Taluka, Raigad District, to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance sheet as at 31st March 2002, 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 Mr.Kanu Patel who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs.Arati J. Gandhi who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. 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 314 & any other applicable provisions of the Companies Act 1956 and subject to such approval from the Concerned Authority/s as may be required the consent of the members is hereby accorded to the Board of Directors for appointment and holding and continuing to hold the office of profit as 'Vice President - Execution' in the Company with effect from 1st April, 2002 by Mr.Jayesh Gandhi, a relative of a Director of the Company, on the remuneration and other Terms and Conditions as per the letter of appointment laid before the Meeting and initialled by the Chairman for the purpose of identification."

On behalf of the Board of Directors

A. B. SHAH.
CHAIRMAN

MUMBAI :

DATED : 23rd August 2002

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) The necessary Explanatory Statement pursuant to Section 173 of the Companies Act 1956 is annexed hereto
- iii) The Register of Member and Transfer Books of the Company will remain closed from Tuesday 24th Sept.2002 to Friday 27th Sept. 2002 (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.Elpee Pheripherals Pvt. Ltd.,
B-17/18, Laxmi Shopping Centre,
Hirachand Desai Road,
Ghatkopar (West),
Mumbai - 400 086.
- v) The shares of the Company are available for dematerialisation with NSDL & CDSIL. The ISIN of the scripe is INE 115CO1014

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act 1956

ITEM NO. 5

The Board of Directors of the Company in their Meeting held on 30th April, 2002 have appointed Mr Jayesh Gandhi, a relative of Mrs. Arti J. Gandhi Whole Time Director, of the Company as 'Vice President - Execution' with effect from 1st April 2002 at a monthly remuneration of Rs.18,000/- and on other Terms and Conditions as stipulated in the letter appointment tabled before the Meeting.

The appointment of Mr.Jayesh Gandhi to the above mentioned position in the Company amounts holding of Office of Profit as per the provisions of Section 314 of the Companies Act 1956 and requires the approval of members in General Meeting.

Mr.Jayesh Gandhi is a B.Com. Graduate and is looking after on Site implementation, co-ordination and timely execution and completion of the Orders of the Company since last four years. Considering his experience and performance in the above area of working of the Company, it has now been decided to appoint Mr.Jayesh Gandhi to an Executive post and remunerate him for the same. The appointment and payment of remuneration to Mr.Jayesh Gandhi as 'Vice President - Execution' is recommended to the members of the Company.

Except Mr.A.B. Shah and Mrs. Arti J. Gandhi, none of the Directors is concerned or interested in the Resolution.

On behalf of the Board of Directors

A. B. SHAH.
CHAIRMAN

MUMBAI :
DATED : 23rd August 2002

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report and the audited Annual Accounts of the Company for the year ended 31st March 2002.

FINANCIAL RESULTS

	Year ended 31/3/2002 (Rs. in lakhs)	Year ended 31/3/2001 (Rs. in lacs)
Income from operation & other income	633.46	318.36
Profit before depreciation, Interest and tax	88.09	65.63
Interest	29.68	24.84
Depreciation	35.02	33.94
Income-Tax including deferred tax	8.80	0.60
Prior period Tax/Other adjustments	0.07	(3.26)
Profit after Tax	14.66	2.99
Add : Balance B/f.	106.81	103.82
Balance C/f. to Balance sheet	121.47	106.81

DIRECTORS :

Mr. Kanu Patel & Mrs. Arti J. Gandhi, will be retiring by rotation at the ensuing annual General Meeting of the Company and being eligible, offer themselves for reappointment.

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. 12,00,000/- 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. 1,00,000/- 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.

LISTING :

The Shares of the Company are listed on the Stock Exchange, Mumbai. The company has paid the requisite listing fees upto the year 2002- 2003.

FOREIGN EXCHANGE EARNING AND OUTGO :

Total foreign Exchange earnings were Rs. 75,74,388/- and the Company incurred nil outgo on account of foreign exchange during the year ended 31/3/2002.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act 1956 the Directors confirm the following in respect of the audited annual accounts for the year ended 31st March 2002.

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the year ended 31st March 2002 of that profit of the Company for that period.
- iii) that the Directors has taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and deflecting fraud and other irregularities.
- iv) that the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT :

The Directors wish to thank the Customers, the Bankers, Financial Institutions, shareholders and the Governments 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

MUMBAI :

DATED : 23rd August 2002

AUDITORS' REPORT

To
The Members of
STRESSCRETE INDIA LIMITED.

1. We have audited the attached Balance Sheet of **STRESSCRETE INDIA LIMITED** ("The Company") as at March 31, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 the manufacturing & service company, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 Accounts 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;
 - d) In our opinion the Profit and Loss Account and the Balance Sheet comply with the Mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.
 - e) Based on the written representations received from Directors of the company and taken on record by the Board of Directors and on the basis of information's and explanations given to us, none of the directors of the company as at 31st March, 2002, disqualified from being appointed as director within the meaning of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f)
 - i) *Sundry Debtors of Rs.73,09,834/- Sundry Creditors of Rs1,48,60,118/- and Deposits (Drs.) of Rs 89,38,116/- are subject to reconciliation and confirmations. (Refer Note No 17(a) of Schedule 'Q').*
 - ii) *In determination of Work-in-Progress, escalations are based on formula as per contract conditions which includes an element of estimation.(Refer Note No. 10 of Schedule 'Q')*
 - iii) *In absence of verification reports of assets hypothecated having Written Down Value as on 31st March 2002 of Rs.13,17,927/-against secured loans availed from Western Railway of Rs. 7,09,041/- we are unable to express any opinion regarding the existence & realizable value of the assets and hence the same are taken as correct as per the books of accounts. (Refer note no. 2(b) & 17(b) of schedule 'Q').*

The overall financial impact on account of (f) above, if any, on the net worth of the company, as explained to us, can not be ascertained and quantified.

Subject to 4(f) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- g) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March 2002
and
- h) in the case of Profit & loss Account, of the Profit of the Company for the year ended on 31st March 2002.

For **CHOKSHI & CHOKSHI**
CHARTERED ACCOUNTANTS

R.S. CHOKSHI
(Partner)

Mumbai,
Dated: 23rd August, 2002

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 2002.

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation 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 certain machinery given as security (Refer Note 17 (b) of Schedule 'Q'). According to the information and explanations given to us, no material discrepancies have been noticed on the verification with available records except those not verified being given as security. The frequency of the verification needs to be strengthened 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) The Company is dealing in diversified contracts and the Company is maintaining day-to-day detailed records showing full particulars including quantitative details of raw materials, stores and spares of stock etc. However as informed to us, unused stock at the end of every month has been physically verified by the site-in-charge of the respective sites but the procedure of physical verification of work in progress needs to be strengthened.
- 4) 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 except in the case of work in progress as stated in para 3 herein above.
- 5) The discrepancies noticed on verification between the physical stocks and the book records were not material in nature and the same have been properly dealt with in the books of accounts.
- 6) In our opinion, the valuation of stocks except note no. 1 (IV) (a) of Schedule 'Q' regarding valuation of Work in progress, as per accounting practice consistently followed regarding valuation of goods (other than Raw material) is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
- 7) The company has not taken any loans secured or unsecured from companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The provision of section 370(1B) of Companies Act, 1956 has since been deleted.
- 8) The company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of Companies Act, 1956. The provision of section 370(1B) of Companies Act, 1956 has since been deleted.
- 9) According to the information and explanations given to us, the Company has granted interest free advances to the staff, which are generally being recovered, however interest receivable on an inter corporate deposit of Rs. 5,00,000/- to a party, recovery of the same being uncertain, has not been accounted for during the year. In the absence of specific terms and conditions on principal deposit of Rs. 5,00,000/- as above, we are unable to comments on the same.
- 10) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of store, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods and the day to day affairs are supervised by a director and respective site-in-charge at various sites. Looking to the size of the business and nature of records available to us, the same needs to be further strengthened.
- 11) In our opinion and according to the information and explanations given to us, there are no transaction during the year of purchase of stores, raw materials or components, and sale of goods and materials made in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956.