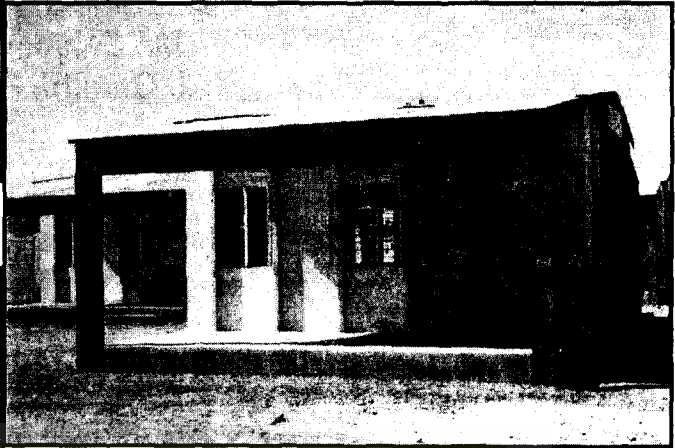
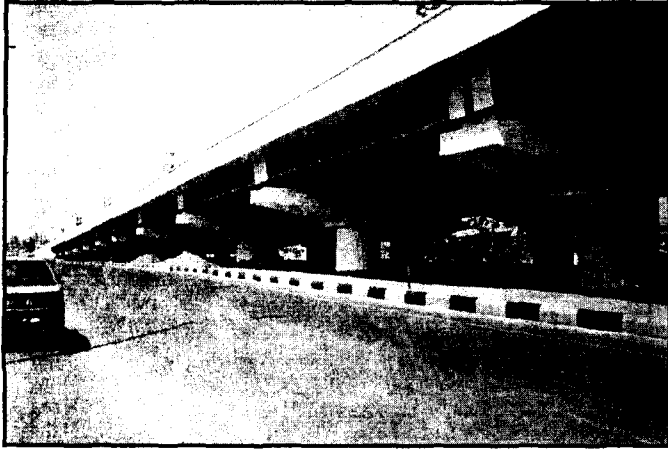


21st ANNUAL REPORT

2003 - 2004



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



BANKERS

Development Credit Bank Limited

Report  junction.com



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. : 2418 3322 • Fax : 2418 1665 • Email : screte@mtnl.net.in

NOTICE

NOTICE is hereby given that the **TWENTY FIRST ANNUAL GENERAL MEETING** of the company will be held at Registered Office of the Company at Survey No.35/10, Lohop Village, Khalapur Taluka, Raigad District. on 8th November, 2004, Monday at 10.30 a.m. to transact the following business.

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet & Profit & Loss A/c as at **31st March, 2004** and the reports of the Board of Directors and Auditors thereon.
- 2 To appoint **K JAWAHAR MAHI** as a Director of the Company who was appointed as an additional director during the year.
- 3 To appoint **JAYANT BHAVANJI SONI** as a Director of the company who was appointed as an additional director during the year.
- 4 To appoint a director in place of Kanu Patel who retires by rotation and being eligible offers himself for reappointment.
- 5 To appoint **Choksi & Choksi, Chartered Accountants**, to hold office until the conclusion of next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

- 6 To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution :
"RESOLVED THAT the Authorized Capital of the company be and is hereby increased from Rs.5,25,00,000/- divided into 52,50,000/- Equity Shares of Rs.10/- each to Rs.7,00,00,000 divided into 70,00,000/- Equity Shares of Rs.10/- each"
FURTHER RESOLVED THAT the consequential changes in the Memorandum of Association and Articles of Association be made."
7. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution :
"RESOLVED THAT the consent of the company be and is hereby accorded in terms of section 293(1)(d) and other applicable provisions, if any of the Companies Act, 1956 for taking loan from institutions, banks and other agencies to the limit of 50 crores including the existing term loans and other loans from the institutions."
8. To consider, and if thought fit to pass with or without modification(s) the following Resolution as Special Resolutions :-
"RESOLVED THAT in terms of sections, if any of the Companies Act, 1956 and in accordance with the provisions of Articles of Association of the Company and subject to the consent of the Securities and Exchange Board of India (SEBI) and all other concerned authorities and Departments, if and to the extent necessary, and such other approvals, permissions and sanctions and modifications as may be prescribed in may be agreed to by the Board of Directors of the Company (hereinafter referred to as "The Board" which term shall be deemed to include any committee of the board), at its sole discretion, the consent of the company be and is hereby accorded to the Board to create, offer number of equity shares of the company of the face value of Rs.10/- each not exceeding 10,00,000 (Ten Lacs) equity shares in number as may be required for subscription for cash under Right Issue or otherwise to such category of persons in consultation with SEBI or such other Authorities as may other provisions of law as may be prevailing at that time and ranking pari passu with the existing equity shares of the company and to retain oversubscription if any in permissible, and at such extent as may be then permissible, and at such time or times as the Board at its absolute discretion and in the best interest of the company may deem fit:-
 1. The Right Issue such number of equity shares of Rs. 10/- each as the Board may decide on such terms and conditions as may be decided by the Board in this respect:
 2. The promoters, directors and their relatives and friends, such number of equity share of Rs.10/- each with such minimum subscription and with such conditions of non-transferability guidelines lock- in- period as may be specified in then prevailing guidelines

RESOLVED FURTHER THAT for the purpose of giving affect to this resolution the Board of Directors of the company be and is hereby authorized to take such steps and to do all such acts, deeds matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be in regard to the issue and allotment of the said equity shares including the power to allot the unsubscribed equity shares, if any , in such manner as may appear to the Board of Directors to be most beneficial to the company”

By Order of the Board of Directors

Mumbai, 11th October, 2004

Chairman

NOTES:-

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
Proxies, to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
- 2 The Register of Members and the Share Transfer Books of the Company will remain closed from **2-11-2004 to 8-11-2004** both days inclusive.
- 3 Members are requested to notify change in their address if any, quoting there folio no. to the following address of the Registrar and Share Transfer Agents of the Company.
Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (West),
Mumbai – 400 078.
- 4 The Shares of the company are available for dematerialization with NSDL & CDSIL. The ISIN of the scrip is INE115CO1014.
- 5 Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting and for easy identification of attendance at the meeting.
- 6 Members are informed that in the case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 7 Under Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Share holders desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to Intime Spectrum Registry Ltd.
- 8 Shareholders are requested to bring their copy of the Annual Report to the meeting. Members / Proxies should fill the Attendance Slip for attending the meeting.
- 9 Corporate Members are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 10 The details pertaining to Directors retiring by rotation pursuant to Clause No.49 is given below.
Dr. Kanu Patel aged 53 years is a practicing surgeon, Dr. Kanu Patel is residing in USA. He has a wide network of business relationship and intimately connected with the construction industry in the US. He is a fellow of American College of Surgeons.
Though Dr. Kanu Patel is a surgeon by profession, he has been interested in the construction industry in USA and India. Apart from being a director in SII he is also a general partner and president of Empire Construction Company, Detroit, Michigan, USA.
Being a founder director of the company, SII owes part of its progress to the vision and patronage of Mr. Kanu Patel.
- 11 The details pertaining to Additional Directors who are to be appointed as a Directors are given below.
Mr. K Jawahar Mahi aged 39 years has experience of over 13 years in the areas of import and export procedures and market practices and around 8 months in the construction industry. His profile includes identifying the project, liasioning with various authorities for effecting the entire operation of the projects undertaken.
Mr. Jayant B. Soni aged 47 years has over last 10 years of business experience. He is in the business of shares and securities and property development.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No.6**

The Company is planning right issue. Therefore the proposed authorized capital of Rs.5,25,00,000/- divided into 52,50,000 Equity shares of Rs.10/- each be increased to Rs.7,00,00,000/- divided into 70,00,000 Equity shares and the necessary modifications be made in the Memorandum and Articles of Association of the Company.

Item No. 7

The Company has exclusive plans to expand the construction projects therefore the company proposed to go for institutional / bank loans. Therefore the existing borrowing powers assigned to the board of directors is increased to 50 Crores including availing the existing limit by the bankers and institutions.

Item No.8

The company is planning for civil construction contracts in India. Further company wants to take the advantage of equity leverage and requirement of long term funds. Therefore the company plans to go for right issue in the ratio of 4 : 1.

In view of the above, consent of the members is being sought in terms of section 81(1A) and other equal provisions of the Companies Act, 1956.

All the directors of the company may be deemed to be concerned or interested in the resolution to the extent of shares, if any to be allotted to them or to companies/institutions of which they are directors, nominees or members.



DIRECTORS REPORT

To the Members,

Your Directors have pleasure in presenting the **Twenty First Annual Report** and the audited Annual Accounts of the Company for the year ended **31st March 2004**.

FINANCIAL RESULTS

	Year ended 31/3/2004 (Rs.in lakhs)	Year ended 31/3/2003 (Rs.in lakhs)
Income from operation & other income	463.04	686.53
Profit before depreciation, interest and tax	52.26	108.77
Interest	27.65	34.15
Depreciation	46.46	41.29
Income-tax including deferred tax	0.27	9.96
Prior Period tax/Other adjustments	1.46	1.47
Profit after tax	(23.58)	13.42
Add: Balance B/f.	33.68	20.26
Balance C/f to Balance Sheet	10.10	33.68

DIRECTORS:-

Mr. Kanu Patel will be retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer himself for reappointment as a directors of the company.

Mr. K Jawahar Mahi and Mr. Jayant Soni appointed as a Additional Directors of the company during the year will be appointed as Directors of the Company through Annual General Meeting of the Company.

AUDITORS:-

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

AUDITORS REPORT

The remarks made by the Auditors in their Report vide Para (4) for non confirmation and reconciliation of certain balances of Sundry Debtors, Creditors and Deposits. Estimation of escalation of work in progress, non-verification of assets hypothecated to Western Railway, the management is of the view that the notes given in Schedule Q regarding each item are self explanatory and therefore do not call for any further comments on the Auditors Report.

As regard absence of balance confirmation from certain banks of their outstation branches the management would like to submit that the requisite correspondence of the balance confirmation has been sent to the respective banks at their outstation branches. However, there was no response for the same and since the balance to be confirmed are not of material value the same is not considered significantly affecting position of the company

PARTICULARS OF EMPLOYEES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

There are no employees who were employed through out the financial year and were in receipt of remuneration which in aggregate was not less than Rs.24,00,000/- for the financial year or were employed for part of the financial year and were in receipt of remuneration at a rate which in aggregate was not less than Rs.2,00,000/- per month

PERFORMANCE

The performance of the company was severely affected due to unprecedented price rise in construction inputs such as steel, high tensile steel, cement, diesel etc which affected profitability of the company and created heavy strain on finances of the company. This has been common problem for many construction companies in India & your company is following up with various authorities to get reimbursed unprecedented price rise which is beyond company's control. The company is hopeful of favourable response from the clients which will improve the working of the company in the coming year.

FUTURE PROSPECTS

The company is marketing the various products vigorously and products are finding good acceptance in the market as seen from the number of enquiries received from the prospective clients. Fast track and large span construction of IT Parks, shopping malls, buildings, bridges etc required for present day infrastructure projects has developed good market for your company's products and are hopeful of booking substantial orders in the coming year.

DIRECTORS

With a view to expand the business of the company and strengthen management of the company, we are planning to introduce new directors which will improve the working of the company to a great extent and will bring better working results in the coming years.

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 up to the year 2004-05

FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign Exchange earnings were Rs._NIL and the Company incurred NIL outgo on account of foreign exchange during the year ended 31/3/2004.

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 2004

- i) That in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such Accounting policies and applied them consistently and made judgment 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 2004 of that proviso 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 prevention and deflecting fraud and other irregularities
- iv) That the Directors had prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

During the year under review the company has formed Audit Committee to comply with the Provisions of the Companies Act, 1956 and the listing Agreement . the audit committee comprises of the following Members

- | | |
|-------------------|----------|
| 1 Mr.Sanjeev Puri | Chairman |
| 2 Mr.B.B. Shah | Member |
| 3 Mr. Kanu Patel | Member |

CORPORATE GOVERNANCE

A separate section on Corporate Governance forms part of the Annual Report. A certificate from the Auditors of the company regarding compliance of conditions of corporate Governance as stipulated under Clause 49 of the listing agreement is annexed to this Report.

ACKNOWLEDGEMENT:

The directors wish to thank the Customers, the Bankers, Financial Institutions share holders 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 Directors

MUMBAI

DATED : 11TH October 2004

A. B. SHAH
CHAIRMAN

CORPORATE GOVERNANCE REPORT

The Company believes that fairness, transparency, accountability and responsibility are the basis tenets of effect corporate governance. The Company endeavors to strive for attaining standards of maximizing its stakeholder's value, adopting effective measures towards attaining its overall long term objectives discharging its social responsibilities, risk management mitigation policies, disclosure practices, people processes, independent oversight, robust internal control systems and fairness in its dealings.

The Company's Shares are listed at the Stock Exchange, Mumbai. Clause 49 of the Listing Agreement entered into with the Stock Exchange sets out the Conditions of Corporate Governance with the Listed Companies are required to comply with. The details of such compliances are furnished hereunder :

1. SIL Philosophy on Code of Governance :-

SIL's Principles on Corporate Governance practices set out, forms the philosophy of the Company on Corporate Governance.

2. Board of Directors :-

i) Board Composition :-

As at March 31, 2004 , the board consisted of Seven Members. The composition and category of Directors on the Board of the Company were as under :

<u>CATEGORY</u>	<u>PARTICULARS OF DIRECTORS</u>
Promoter Directors	Mr. Arvind B. Shah Dr. Kanubhai Patel
Non Promoter Executive Directors	Mrs. Arti J. Gandhi Mr. Bharat B. Shah
Independent Directors	Mr. Sanjeev Puri Mr. K. Jawahar Mahi (Additional Director Appointed on 19/11/2003) Mr. Jayant Soni (Additional Director Appointed on 19/11/2003)

None of the Directors resigned during the year under review. The company Appointed Mr. K. Jawahar Mahi and Mr. Jayant Soni as an Additional Directors on 19th November, 2003 during the year under review.

ii) Board Meeting :-

The Board held its meeting on 30/4/2003, 19/6/2003, 31/7/2003, 9/8/2003, 23/8/2003, 26/8/2003, 23/10/2003, 31/10/2003, 19/11/2003, 20/11/2003, 31/1/2004, 25/2/2004. The maximum interval between any two meetings was 65 days. The minutes of the Board Meeting disclosed the timing and duration of the meeting.

iii) Attendance of Directors :-

Directors	Meeting held during the tenure of Directors	Meeting Attended	Attendance at the Last AGM
Mr. Arvind B. Shah	12	12	YES
Mrs. Arti J Gandhi	12	12	YES
Mr. Bharat B. Shah	12	11	YES
Dr. Kanubhai Patel	12	NIL	NO
Mr. Sanjeev Puri	12	NIL	YES
Mr. K. Jawahar Mahi	03	03	N.A.
Mr. Jayant Soni	03	03	N.A.

NOTES :-

- a) Except Mr. Arvind B. Shah, Mrs. Arti J Gandhi and Mr. Bharat B. Shah none of the Directors is related to any other Directors.
- b) None of the Directors has any business relationship with the company
- c) None of the Directors received any loans and advances from the company during the year.
- d) The Company has paid remuneration to one of the relatives of Mrs. Arti J Gandhi holding place of profit in the Company.

iv) Directors Seeking Appointment / Reappointment

The Directors Seeking Re-Appointment are Mr. Sanjeev Puri Independent Director retire by rotation , Mr. K. Jawahar Mahi and Mr. Jayant Soni Appointed as a Additional Directors u/s 260 of Companies Act, 1956 seeking re-appointment as a Promoter Executive Directors of the Company.

v) Other Boards of which Directors are Members

Name of Directors	No. of Other Directorship	Committee Membership	Other Directorship / Chairmanship	
Mr. Arvind B. Shah	1	NIL	NIL	Stresscrete Industries Ltd.
Mrs. Arti J. Gandhi	NIL	NIL	NIL	N.A.
Mr. Bharat B. Shah	NIL	NIL	NIL	N.A.
Mr. Sanjeev Puri	NIL	NIL	NIL	N.A.
Dr. Kanu Patel	NIL	NIL	NIL	N.A.
Mr. K. Jawahar Mahi	1	NIL	NIL	Joy Home Creation Pvt. Ltd.
Mr. Jayant Soni	1	NIL	NIL	Joy Home Creation Pvt. Ltd.

No Directors hold membership of more than 10 Committees of Boards nor is any Director or a Chairman of more than 5 Committee of Boards.

3. AUDIT COMMITTEE :-

The Audit Committee of SIL was set up in January, 2003. The committee consisted of 3 Directors of which one being independent. The Committee did not hold any meeting during the Financial Year under review. The Audit Committee also advises management on the area where internal audit can be improved. The terms of reference in the audit committee as stipulated in Clause 49 of the Listing Agreement are as follows.

1. Mr. Sanjeev Puri Chairman
2. Mr. B. B. Shah Member
3. Mr. Kanu Patel Member

- a) Overseeing of the Company's Financial process and the disclosure of its financial information.
- b) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on i) any changes in accounting policies and practices ii) major accounting entries based on exercise of judgement by management iii) qualifications in draft audit report, iv) significant adjustments arising out of audit. V) the going concern assumption vi) compliance with accounting standards vii) compliance with stock exchanges and legal requirements concerning financial statements and viii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.
- d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit functions
- f) Discussion with internal auditors any significant findings and follow up thereon.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

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h) Discussion with external auditors before the audit commences on the nature and scope of audit as well as to have post audit discussion to ascertain any area of concern.

i) Reviewing the company's financial and risk management policies.

The Scope of the Activities of the Audit Committee is as prescribed by Section 292A of Companies Act, 1956 as well as Clause 49II(c) & (d) of Listing Agreement entered into with the Stock Exchange.

i) To Investigate any activity within its terms of reference.

ii) To Seek any information from any employee

iii) To obtain outside legal and professional advice.

iv) To Secure attendance of outsiders with relevant expertise, if it considers its necessary

No Audit Committee meeting is held during the financial year under review.

4. REMUNERATION COMMITTEE :-

The Company has not constituted any remuneration committee. However the remuneration paid to the Executive Directors are in consonance with the agreement entered into with them by the Company and considering the positions held by them and the financial condition of the Company. The table below shows the remuneration paid to the Directors during the year 2003-2004.

Name of Directors	Position Held	Total Remuneration Paid (in Rs.)
Mr. Arvind B. Shah	Chairman & Managing Director	Rs. 7,15,000
Mrs. Arti J. Gandhi	Executive Director	Rs. 3,51,000
Mr. Bharat B. Shah	Whole Time Director	Rs. 1,36,500

5. SHARE HOLDERS / INVESTORS GRIEVANCES COMMITTEE:-

The Board of Directors of the Company constituted Share Holders / Investors Grievances Committee in January, 2003. The Committee comprises of Mr. Arvind B. Shah, Mrs. Arti J. Gandhi and Mr. Sanjeev Puri. The Shareholders / Investors Grievances Committee has been delegated the power to approve of investors Grievances. The Company has appointed Intime Spectrum Registry Ltd. As a Common Agency for Share Registry Work for both Physical and Electronic Mode. As per the Directives of SEBI. As required by the Stock Exchange, the Company has appointed Mrs. Arti J. Gandhi as the Compliance Officer to monitor the Share Transfer process and liaise with the regulatory authorities. The tables below give attendances of the members at the meeting of Share Holders / Investors Grievances Committee held during the year 2003-2004.

Name of Directors	Meeting held during the tenure of Directors	Meetings Attended
Arvind B Shah	7	7
Arti J. Gandhi	7	7
Sanjeev Puri	7	NIL

6. GENERAL BODY MEETING

The last three Annual General Meeting of the Company were held at the Registered Office of the Company at Survey No.35/10, Lohop Village, Khalapur Taluka, Raigad District on the following dates and time :

20th Annual General Meeting on 30th September, 2003 at 3.00 PM

19th Annual General Meeting on 27th September, 2002 at 3.00 PM

18th Annual General Meeting on 29th September, 2001 at 3.00 PM

There were no Extra Ordinary General Meeting held during the year under review.

Postal Ballot

During the year no resolution was passed through the Postal Ballot Route.

7. DISCLOSURES:-

No transaction of material nature has been entered into by the company with its promoters, the directors or the management, their subsidiary or relatives etc. that may have a potential conflict with the interests of the company. The Register of contracts containing transactions, in which Directors are interested, is placed before the Board regularly.