

BANKA (INDIA) LIMITED

MD	/		BKC	/
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RO	/		DIV	/
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AGM	/	/	SM	/
YE	/	/		/

11th

ANNUAL REPORT
1996-97

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BOARD OF DIRECTORS

Shri Radheshyam H Banka	Chairman
Shri Ratan H. Banka	Director
Shri Anil R. Banka	Managing Director
Shri Asgherali Malik	Director
Shri Kantilal G. Underkat	Director
Shri K. P. Banerjee	Director
Shri Sunil R. Banka	Executive Director
Shri Rajeev R. Banka	Director

AUDITORS

M/s. Vora & Associates
Chartered Accountants
Mumbai.

Report

BANKERS
Syndicate Bank**CONTENTS**

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REGISTERED OFFICE :

Unit No. 15-16, Sanjay No. 3,
Mittal Estate,
Andheri-Kurla Road, Marol,
Andheri(East),
Mumbai - 400 059.

BANKA (INDIA) LIMITED**NOTICE OF MEETING**

NOTICE IS HEREBY GIVEN that the ELEVENTH ANNUAL GENERAL MEETING of BANKA (INDIA) LIMITED will be held at Company's Registered Office at Unit no 15/16, Sanjay no.3, Mittal Estate, Marol, Andheri East, Mumbai 400 059 at 10.00 a.m. on Tuesday, the 30th September, 1997 to transact the following business:-

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit and loss account of the Company for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K P Banerjee who retires by rotation, and, being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Kantilal G Underkat who retires by rotation, and, being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.
5. To consider and if thought fit to pass the following Resolution, with or without modification as a special resolution:-

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 314, and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, and subject to the terms and conditions that may be imposed by the Central Government and/or other Authorities which the Board of Directors be and is hereby authorised to accept and to vary or modify the terms of agreement as may be required by them, the appointment of Shri. Anil R. Banka as whole time Director designated as Managing Director of the Company for a period of 5 years commencing from 1st August, 1997 to 31st July, 2002 on the remuneration and perquisites to be paid or granted to him as set out in the draft agreement between the Company and Shri Anil R. Banka which is placed before the meeting and initialed by a Director for the purpose of identification, and more particularly specified as under :-

A. REMUNERATION :

- i. Salary : Rs. 20,000/- p.m.
- ii. Allowances/ perquisites : As decided by the Board of Directors and consented by Shri Anil R. Banka, subject to a maximum of Rs. 1,20,000/- p.a.
- iii. Commission : Commission will be equal to Allowances/ perquisites or any other sum as may be decided by the Board of Directors.

The Overall remuneration including the allowances and perquisites, and commission payable to the Whole time Directors and Managing Directors put together shall not exceed 10% of the net profit.

- iv. Company's contribution to Provident Fund and Gratuity payable and encashment of leave at the end of the tenure as per the rules of the Company shall not be included in the computation of limits for the salary or perquisites/allowances aforesaid.

B. MINIMUM REMUNERATION :

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the appointment, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration except commission, by way of salary, perquisites and allowances subject to the ceiling as specified in Section II of PART II of the Schedule XIII to the Companies Act, 1956.

The Payment of aforesaid remuneration including minimum remuneration shall be subject to the provisions of Section 198 and 309 of the Companies Act, 1956 and Schedule XIII to the said Act, as amended from time to time.

"RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorised to alter, vary or modify the terms and conditions of remuneration and/or perquisites payable to Shri Anil R. Banka during the aforesaid period but so as not to exceed the maximum permissible limits specified in schedule XIII to the Companies Act, 1956 for the time being and from time to time in force."

"RESOLVED FURTHER THAT the Directors of the Company be and hereby authorised to enter into an agreement on behalf of the Company with Shri Anil R. Banka in terms of the aforesaid draft."

6. To consider and if thought fit to pass the following Resolution, with or without modification as a special resolution:-

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 314, and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, and subject to the terms and conditions that may be imposed by the Central Government and/or other Authorities which the Board of Directors be and is hereby authorised to accept and to vary or modify the terms of agreement as may be required by them, the appointment of Shri. Sunil R. Banka as whole time Director designated as Executive Director of the Company for a period of 5 years commencing from 1st August, 1997 to 31st July, 2002 on the remuneration and perquisites to be paid or granted to him as set out in the draft agreement between the company and Shri Sunil R Banka which is placed before the meeting and initialed by a Director for the purpose of identification, and more particularly specified as under :-

A. REMUNERATION :

- i. Salary : Rs. 20,000/-

BANKA (INDIA) LIMITED

ii. Allowances/ perquisites : As decided by the Board of Directors and consented by Shri Sunil R Banka, subject to a maximum of Rs. 1,20,000/- p.a.

iii. Commission : Commission will be equal to Allowances/ Perquisites or any other sum as may be decided by the Board of Directors.

The Overall remuneration including the allowances and perquisites, and commission payable to the Whole time Directors and Managing Directors put together shall not exceed 10% of the net profit.

iv. Company's contribution to Provident Fund and Gratuity payable and encashment of leave at the end of the tenure as per the rules of the Company shall not be included in the computation of limits for the salary or perquisites/allowances aforesaid.

B. MINIMUM REMUNERATION :

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the appointment, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration except commission, by way of salary, perquisites and allowances subject to the ceiling as specified in Section II of PART II of the Schedule XIII to the Companies Act, 1956.

The Payment of aforesaid remuneration including minimum remuneration shall be subject to the provisions of Section 198 and 309 of the Companies Act, 1956 and Schedule XIII to the said Act, as amended from time to time.

"RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorised to alter, vary or modify the terms and conditions of remuneration and/or perquisites payable to Shri Sunil R Banka during the aforesaid period but so as not to exceed the maximum permissible limits specified in schedule XIII to the Companies Act, 1956 for the time being and from time to time in force."

"RESOLVED FURTHER THAT the Directors of the Company be and hereby authorised to enter into an agreement on behalf of the Company with Shri Sunil R Banka in terms of the aforesaid draft."

7. To consider, if thought fit, to pass with or without modification the following resolution as a Special Resolution :

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"RESOLVED THAT the Company do withdraw the listing facility presently available with Non Regional Stock Exchanges such as Ahmedabad Stock Exchange Ltd., The Delhi Stock Exchange Association Limited and The Madras Stock Exchange Limited where no significant transactions are taking place and further the Company be and is hereby authorised to de-list the shares in those Stock Exchanges".

"RESOLVED FURTHER THAT the Directors be and are hereby authorised to take necessary steps including making application to all the authorities concerned, deal and accept all terms and conditions and with power to do all the things without any further reference to this General Body, in this direction."

Registered Office:
Unit 15 & 16, Sanjay No.3
Mittal Estate, Marol, Andheri (East),
Mumbai 400 059.

By Order of the Board of Directors
BANKA (INDIA) LIMITED

ANIL R BANKA
Managing Director

Date: 1st August, 1997

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BANKA (INDIA) LIMITED**NOTES:**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER.
- (b) An explanatory statement under Section 173 (2) of the Companies Act, 1956, in respect of business under items 5 to 7 is annexed hereto.
- (c) The Unclaimed Dividend pertaining to the year 1993-94 & 1994-95 shall be transferred to the General Revenue Account of the Central Government during November, 1997 and November, 1998 respectively. Hence the shareholders who have not encashed their Dividend Warrants for the above referred period are requested to contact the Share Department of the Company at its Registered Office for revalidation/issue of Duplicate Dividend Warrants.
- (d) The Company has developed an in-house Share Department and the shareholders are therefore requested to send all the correspondence and Transfer deeds to the Registered Office of the Company at Mumbai.

ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956.

ITEM NO.5 & 6

As the shareholders are aware Shri Anil R Banka and Shri Sunil R Banka are the promoters of the Company and they were active partners of Banka Engineering Construction Company whose business was taken over by us in the year 1992. Further the said Directors are professionally qualified and have vast experience in the construction field. They were appointed as Managing Director and Executive Director respectively by the shareholder w.e.f. 1st August, 1992 for a period of 5 (five) years. The Board therefore has proposed to continue to avail of the services in their respective capacities from 1st, August, 1997, subject to the approval of the shareholders and Central Government, if any required. In the opinion of the Board, as the aforesaid Directors continue to devote their full attention and skill for the betterment of the Company, it would be appropriate to appoint them in wholetime service in the Company as per the draft agreements placed before the meeting.

The Remuneration and perquisites payable to them are in conformity with Schedule XIII to the Companies Act, 1956.

The material provisions of the draft agreements relating to the appointment of Shri Anil R Banka and Shri Sunil R Banka referred to in the resolutions are as under:

1. Shri Anil R Banka be appointed as Managing Director of the Company and Shri Sunil R Banka be appointed as Executive Director of the Company each for a period of 5 years commencing from 1st, August, 1997 subject to earlier determination in pursuance of the provisions of the agreement.

2. Shri Anil R Banka and Shri Sunil R Banka shall perform all such duties and exercise such powers as are entrusted to them from time to time by the Board.

3. Shri Anil R Banka and Shri Sunil R Banka to serve the Company at such place or places as the Company may decide and to undertake such travelling as may be required by the Company.

4. Shri Anil R Banka and Shri Sunil R Banka to devote the wholtime attention and abilities during the business hours to the business of the Company.

5. Apart from the remuneration mentioned in the resolution each are entitled to :-

- a. Provident Fund: Company's contribution as specified under the Rules of the Company.
- b. Superannuation: Company's contribution to annuity fund subject to a maximum of 15% of their respective salaries for every completed year of service.
- c. Gratuity: As per the rules of the Company.

The above are subject to the limit that are not taxable under the Income Act, 1961 or as per the amendments made from time to time.

- d. Car: For use on Company's business will not be considered as a perquisite. However, use of car for private purposes shall be billed by the Company.
- e. Telephone at residence will not be considered as a perquisite. However long distance personal calls shall be billed by the Company.
- f. Leave: As per the rules of the Company.

The Board of Directors considered the remuneration proposed to be paid to the Managing Director and Executive Director, are commensurate with their qualification, duties and responsibilities as Managing Director and Whole Time Director and and therefore commend passing of those resolutions.

The aforesaid material terms may also be considered as an abstract of the terms of appointment of Shri Anil R Banka, and Shri Sunil R Banka for the purpose of Section 302 of the Companies Act, 1956.

Shri Anil R Banka and Shri Sunil R Banka may be considered as interested in the these resolutions since they relate to their appointment and each related to the other. Further Shri Radheshyam H Banka, Shri Ratan H Banka and Shri Rajeev Banka may also be considered as interested in the business as they are related to them.

BANKA (INDIA) LIMITED

A copy of the draft agreements referred to above will be available for inspection by the members at the registered office of the Company between 11 a.m. and 1.00 p.m. on any working day except Saturday.

ITEM NO.7.

As the Company's shares are not actively traded in the Non Regional Stock Exchanges at Ahmedabad, New Delhi and Madras it is proposed to take steps to withdraw the listing agreement entered with such stock exchanges and de-list the shares as a measure of economy. However the shares shall continue to be listed and traded in the Regional Stock Exchange at Mumbai. The company seeks shareholders consent for taking steps by the Directors in this direction.

Therefore Directors commend passing of this Special Resolution.

None of the Directors is interested in this resolution.

Registered Office:
Unit 15 & 16, Sanjay No.3
Mittal Estate, Marol, Andheri (East),
Mumbai 400 059.

**By Order of the Board of Directors of
BANKA (INDIA) LIMITED**

ANIL R BANKA
Managing Director

Date: 1st August, 1997

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Report and Audited Statement of Accounts for the Year ended 31st March, 1997.

FINANCIAL RESULTS

	Rupees in lakhs Year ended 31st March 1997	Rupees in lakhs Year ended 31st March 1996
Total Income	772.12	1175.77
Profit/(Loss) before Depreciation	(217.22)	137.01
Less: Depreciation	39.87	34.84
Profit/(Loss) before Taxation	(257.09)	102.17
Less: Provision for Taxation	0.00	0.00
Profit/(Loss) after Taxation	(257.09)	102.17
Add: Excess provision of earlier year written off	0.00	0.70
Less: Short provision of earlier year written off	1.39	0.00
Income Tax of earlier years	0.48	1.72
Add: Profit carried forward from previous years	60.55	30.65
Profit/(Loss) after adjustment	(197.45)	131.80
The Directors have appropriated for :		
Proposed Dividend	—	21.25
(Subject to Tax)		
Transferred to General Reserve	—	50.00
Balance Carried to Balance Sheet	(197.45)	60.55
	(197.45)	131.80