

BANKA (INDIA) LIMITED

MD	✓				PKC	✓
CS	✓					NA
RO	✓					NA
TRA	NA					✓
AGM	✓	✓				✓
YE	✓	✓	✓	✓		

12th

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**ANNUAL REPORT
1997-98**

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BANKA (INDIA) LIMITED**ANNUAL REPORT****BOARD OF DIRECTORS**

Shri Radheshyam H. Banka	Chairman
Shri Ratan H. Banka	Director
Shri Anil R. Banka	Managing Director
Shri Sunil R. Banka	Executive Director
Shri Rajeev R. Banka	Director

AUDITORS

M/s. Vora & Associates
Chartered Accountants
Mumbai.

BANKERS

Syndicate Bank

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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 TWELVETH ANNUAL GENERAL MEETING of BANKA (INDIA) LIMITED will be held at Company's Registered Office at Unit 15/16, Sanjay no. 3, Mittal Estate, Marol, Andheri East, Mumbai - 400 059 at 10.00 a.m. on Wednesday, the 30th December, 1998 to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998 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 R. H. Banka who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Ratan H. Banka who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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

ANIL R. BANKA
Managing Director

REGISTERED OFFICE :

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

Date : 30th November, 1998.

Place : Mumbai.

ANNUAL REPORT**DIRECTOR'S REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Report and Audited Statement of Accounts for the Year ended 31st March, 1998.

FINANCIAL RESULTS

	Rupees in lakhs Year ended 31st March 1998	Rupees in lakhs Year ended 31st March 1997
Total Income	606.93	772.12
Profit / (Loss) Before Depreciation	(256.93)	(217.22)
Less : Depreciation	39.03	39.87
Profit / (Loss) before Taxation	(295.98)	(257.09)
Less : Provision for Taxation	0.00	0.00
Profit / (Loss) after Taxation	(295.08)	(257.09)
Less : Short provision of earlier year written of Income Tax of earlier years	0.00 0.00	1.39 0.48
Add : Balance trfd from General Reserve	91.10	0.00
Add : Profit / (Loss) carried from previous years	(197.45)	60.55
Profit / (Loss) after adjustment	<u>(402.33)</u>	<u>(197.45)</u>
The Directors have appropriated for :		
Proposed Dividend (Subject to tax)	0.00	0.00
Transferred to General Reserve	0.00	0.00
Balance Carried to Balance Sheet	<u>(402.33)</u>	<u>(197.45)</u>
	<u>(402.33)</u>	<u>(197.45)</u>

BANKA (INDIA) LIMITED

Annexure to the Director's Report

Statement pursuant to Section 217 (1) (e) of the Companies Act, 1956.

A) Conservation of Energy :

The Company has no activities relating to conservation of energy.

B) Technology Absorption :

The Company is in the process of developing and implementing its own inhouse technology for the speedy completion of work and to improve its profitability.

C) Foreign Exchange Earnings and outgo :

The Company did not have any exports and did not incur any expenditure in foreign currency during the year under review. However the Company is exploring the possibilities of securing contracts overseas in its field of activities.

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**For and on behalf of the Board of Directors of
BANKA (INDIA) LIMITED :**

**RADHESHYAM H. BANKA
CHAIRMAN**

Mumbai.

Date : 30th November, 1998.

ANNUAL REPORT**AUDITOR'S REPORT**

To,
THE MEMBERS OF
BANKA (INDIA) LIMITED

We have audited the attached Balance Sheet of BANKA (INDIA) LIMITED as at 31st March, 1998 and also the annexed 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 (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 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 Profit and Loss Account dealt with by the Report are in agreement with the books of account and returns;
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the notes forming part thereof subject to :
 - a. Note No. 7, Part (ii), (v), (viii), (ix), no provision has been made for interest payable totalling to Rs. 1,26,33,032/- on secured loan, amounting to Rs. 93,47,014/- on fixed deposits Rs. 3,86,018/- and on unsecured intercorporate deposit amounting to Rs. 29,00,000/- (approximately). The same shall be provided for in the year of actual payment.
 - b. Note No. 7, part (x), the Bank Balances of Rs. 14,66,658/- and Bank overdraft of Rs. 2,02,12,000/- are subject to recociliation.
 - c. Note No. 7, part (xi) the amount of Rs. 2,31,00,000/- included in work in progress in respect of work done at Mandleshwar and Tawi sites which are disputed and are pending in arbitration.
 - d. note No. 7, Part (xii), inter Branch Account of Rs. 22,85,804/- represents unreconciled balances, pending reconciliation.
 - e. Note No. 7, part (xiii), non provision of Rs. 1,01,500/- towards Employee Group Gratuity Scheme with L.I.C. for current year.

give the information required by the Companies Act, 1956, in the manner so required and, give a true and fair view;

- (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1998 and
- (ii) in the case of the Profit and Loss Account of the LOSS of the Company for the year ended on that date.

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS

MUMBAI :
DATE : 30TH NOV. 1998.

(MAYUR A. VORA)
PARTNER

BANKA (INDIA) LIMITED**ANNEXURE TO THE AUDITORS REPORT
(REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE)**

1. We have been informed that the fixed assets register showing full particular including quantitative details and situation is not updated during that year. According to the information given to us, the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on verification.
2. None of the fixed assets have been revalued during the year.
3. As explained to us, the stocks of finished and raw materials at Sites have been physically verified during the year by the Management at reasonable intervals. However in our opinion, having regard to the nature and location of stocks, the frequency of verification is not reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures of verification of stocks followed by the Management are not reasonable and adequate in relation to the size of the company and the nature of its business and needs to be strengthened.
5. The discrepancies noticed on physical verification, between physical stocks and book records, could not be determined in absence of the proper updation of stock records being made by the Company at various sites and we are not in a position to report whether the same have been properly dealt with in the books of account.
6. In our opinion the valuation of the stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding years. however the valuation of work in progress has been taken as certified by the management and has been relied upon.
7. The entries in register maintained u/s. 301 of the Companies Act, 1956 are not updated during the year. However we were informed that the company has not taken any loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from the companies under the same management as defined under Section 370(1-B) of the Companies Act, 1956.
8. The Company has not granted any unsecured loans, to the firms listed in the register maintained under Section 301, of the companies Act, 1956 (1 of 1956) or to the companies under the same management as defined under Section 370(1-B) of the Companies Act, 1956.
9. We have been informed by the Management that the parties to whom loans and advances in the nature of loans are given by the company are generally repaying the principal amount and interest as stipulated. The staff members to whom interest free loans are given are repaying the principal amount as stipulated.
10. In our opinion and according to the information and explanation given to us and based on our observations the internal control procedures are weak and needs to be strengthened to make it commensurate with the size of the Company and the nature of the business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets.
11. According to the information and explanations given to us there are no purchase of store, raw materials and components during the year in excess of Rs. 50,000/- in value of each type from

ANNUAL REPORT

Firms or other parties in which the directors are interested as listed in the register maintained under section 301

12. As per the information and explanations given to us, the Company has a regular procedure for the determination of unserviceable or damaged stores and raw materials and finished goods. In valuing the inventory, due consideration has been given to the sale ability of the stores and raw materials.
13. As explained to us the Company does not have any by-product or manufacturing scrap as per the nature of industry. Therefore no records are separately maintained.
14. The Company has accepted deposits from public and there is a contravention of Section 58A of the Companies Act, 1956 and the rules framed thereunder as regards updation of Registers and other records and there is a delay in repayments of deposits and interest thereon.
15. We are informed that because of the nature of the industry, no significant saleable scrap is generated, therefore no records are separately maintained.
16. There is no formal internal audit system in operation. In spite of weaker internal control procedures in operation, the company has not introduced an internal audit system.
17. As explained to us and to the best of our knowledge maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 (1 of 1956) for any of the products of the company.
18. According to the information given by the Management, the Provident Fund dues have not been regularly deposited by the Company with appropriate authority. We were informed that the Company is not covered by the Employees State Insurance Act.
19. In absence of adequate records being received from the various sites in respect of in respect of various statutory dues payable by them, we are unable to report as to whether there were any undisputed amounts payable in respect of Income-tax, Wealth Tax, Sales-tax, Custom Duty and Excise Duty have remained outstanding as at 31st March, 1998 for a period of more than six months from the date they became payable. However, TDS amounting to Rs. 4,47,234/- is yet to be paid by the Company.
20. According to information and explanations given to us no personal expenses have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practice.
21. In view of non provisions of various expenses in regard to interest dues to the financial institutions and other lenders, we are unable to express whether the Company is a Sick Industrial Company within the meaning of clause (O) of Sub Section (1) of section 3 of the Sick Industrial Companies Section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS

MUMBAI :
DATE : 30TH NOV. 1998.

(MAYUR A. VORA)
PARTNER