

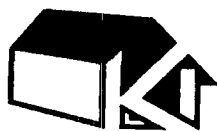
MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	✓		A.C	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

14th Annual Report 1997-98



Kamanwala Industries Limited





CERTIFIED TRUE COPY
For KAMANWALA INDUSTRIES LTD.
[Signature]
Accounts

KAMANWALA INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. B.R. Maheshwari	: Chairman
Mr. M.L. Gupta Kamanwala	: Vice-Chairman & Managing Director
Mr. Jaipal Jain	: Whole-time Director
Mr. Atul Jain	: Whole-time Director
Mr. Tarun Jain	: Whole-time Director
Mr. S.V. Shanbhag	: Director
Mr. Bhanwarlal D. Jogani	: Director
Mr. Ramesh J. Patel	: Director
Mrs. Pushpa Jain	: Director

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AUDITORS

Vimal Punmiya & Co.,
Chartered Accountants,
Mumbai.

SOLICITORS

Dhru & Co., Mumbai,
Ayyar & Co., Mumbai.

BANKERS

Oriental Bank of Commerce,
State Bank of Patiala.

REGISTRARS AND SHARE TRANSFER AGENTS

Vijay Securities Services Pvt. Ltd.,
19, Shakil Niwas,
Mahakali Caves Road, Andheri (East),
Mumbai-400 093.

REGISTERED OFFICE

405/406, New Udyog Mandir-2,
Mogul Lane, Mahim (West),
Mumbai-400 016.

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NOTICE

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of KAMANWALA INDUSTRIES LIMITED will be held on Wednesday, the 23rd September, 1998 at Ashoka Hall, Arcadia, Behind NCPA (Tata Theatre), Nariman Point, Mumbai-400 021 at 11-30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Atul Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. S.V. Shanbhag who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Tarun Jain who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Auditors of the Company and to fix their remuneration.

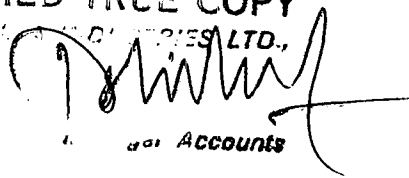
NOTES:

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 OF THE COMPANY.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 1998 to 23rd September, 1998 (both days inclusive).
3. Members are hereby requested to notify change in their addresses, if any, to the Registrars and Share Transfer Agents of the Company.
4. Members are requested to bring their copy of Annual Reports to the Meeting since no copy of the Report will be distributed at the Meeting.
5. Pursuant to Section 205A(5) of the Companies Act, 1956, all dividends upto the financial year ended 31st March, 1994, which remained unpaid or unclaimed, have been transferred to the General Revenue Account of the Central Government. Members concerned are requested to claim the amount from the Registrar of Companies, Maharashtra, 2nd Floor, Hakoba Compound, Dattaram Lad Marg, Kalachowki, Mumbai-400 033. In case any assistance is required, please write to the Company.

By Order of the Board
M. L. GUPTA KAMANWALA
Vice-Chairman & Managing Director

Place : Mumbai

Dated : 30th July, 1998.

CERTIFIED TRUE COPY
For KAMANWALA INDUSTRIES LTD.,

for Accounts



KAMANWALA INDUSTRIES LIMITED

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the Fourteenth Annual Report on the operations of the Company along with the Audited Financial Statements of Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS:

The Summarised Financial Results of the Company are as follows:

	For the year ended 31-3-1998 (Rs. in lacs)	For the year ended 31-3-1997 (Rs. in lacs)
Sales and Other Income	363.43	1362.87
Gross Profit	24.09	75.50
Less: Depreciation	21.31	35.61
Miscellaneous Expenditure Written Off	0.38	0.97
Profit before Taxation	2.40	38.92
Provision for Taxation	4.47	12.51
Net Profit/Loss for the Year	(2.07)	26.41
Balance brought forward from Previous Year	222.27	199.89
Provision for Taxation for Earlier Years	11.91	4.03
Loss on Sale of Assets	9.52	—
Profits available for Appropriations	198.77	222.27
Appropriations:		
Balance carried to Balance Sheet	198.77	222.27

DIVIDEND:

Due to inadequacy of profits during the year and with a view to preserve the liquidity of the Company, it has been decided by the Board of Directors not to recommend any dividend.

REVIEW OF OPERATIONS:

During the year, the Company achieved the turnover of Rs. 363.43 Lacs as compared to Rs. 1362.87 Lacs during the previous year. The Profit before and after tax decreased from Rs. 38.92 Lacs and Rs. 26.41 Lacs respectively of the previous year to Rs. 2.40 Lacs and Rs. (2.07) Lacs respectively of the year under review. The decrease in Sales turnover, Profit before and after tax is mainly attributable to the unfavourable market conditions prevailing in the Construction Industry. Since, last two and a half years the Construction Industry is witnessing a slump in the prices.

FUTURE PROSPECTS:

The Members of the Company are well aware that the Country's entire economy in general and Construction Industry in particular to date remain badly affected largely on account of prevailing demand recession and slump in real estate prices. In such turbulent times it becomes very difficult to take realistic decisions and actions. Under such circumstances, your Directors have not undertaken any new projects other than the following existing projects:

(i) PALI HILL PROJECT (BANDRA):

The construction work at the Pali Hill Project (Bandra) has reached at the final stages of its completion. This Project being located in a very posh area of the city of Mumbai, is expected to generate a good deal of revenue and accordingly, it will help improve the financial performance of the Company.

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(ii) ANDHERI PROJECT:

This Project is a Premier Commercial Project of the Company situated at Andheri. The implementation of this Project is delayed due to prevailing adverse market conditions and recessionary trends in the economy of the Country. Your Directors are hopeful that as soon as economic conditions improve the Construction work at the Project will be initiated.

(iii) SHAKUNTALA PARK PROJECT (VIRAR):

The implementation of this Project is also delayed largely on account of circumstances as mentioned hereinabove, continuing water shortages in and around Virar and lack of adequate infrastructural facilities in these areas.

SUBSIDIARY COMPANY:

The Annual Statements of Accounts of Subsidiary Company, viz., M/s. Doongursee Diamond Tools Ltd., for the year ended 31st March, 1998 are attached herewith. The Statement of Company's interest as a Holding Company, in the Subsidiary as specified in Sub-section 3 of Section 212 of the Companies Act, 1956 is annexed hereto.

FIXED DEPOSIT:

As on 31st March, 1998, the Company was holding an aggregate sum of Rs. 175.40 Lacs on account of Fixed Deposits from the Shareholders, Friends and Relatives. There were no outstanding deposits repayable as on 31st March, 1998.

DIRECTORS:

Mr. N.K. Gupta has resigned from the office of the Director of the Company with effect from 20th November, 1997. The Directors place on record their appreciation for services rendered by him during his tenure as a Director of the Company.

Pursuant to the Provisions of the Companies Act, 1956 and relevant Article of Articles of Association of the Company, Mr. Atul Jain, Mr. S.V. Shanbhag and Mr. Tarun Jain are retiring by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES:

The Company did not have any employee who was in receipt of remuneration of Rs. 3,00,000/- or more per annum and/or if employed for a part of the year receiving remuneration at the rate which in aggregate was Rs. 25,000/- or more per month.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Details of energy consumption, technology absorption and adaptation and foreign exchange earned and spent in accordance with the provisions of Section 217 (1) (c) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988, are given in the Annexure to the Directors' Report.

AUDITORS:

M/s. Vimal Punmiya & Company, Chartered Accountants, the Auditors of your Company retire at the conclusion of the forthcoming Annual General Meeting. You are requested to appoint them. A certificate has been received from them to the effect that if appointed, their appointment will be within the limit specified under Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT:

As regards to paragraphs 3(a) to 3(c) of the Auditors' Report, the Notes to the Accounts are self-explanatory and as such, your Directors have no further comments to offer.

ACKNOWLEDGEMENTS:

The Directors take this opportunity to express their gratitude to Oriental Bank of Commerce, State Bank of Patiala, Bombay Municipal Corporation, Other Local Bodies, Flat-holders and Employees of the Company for their whole-hearted co-operation and valuable support.

For and on behalf of the Board,

B.R. MAHESHWARI
Chairman

Place : Mumbai
Dated : 30th July, 1998.

CERTIFIED TRUE COPY
For KAMANWALA INDUSTRIES LTD.

Manager Accounts



KAMANWALA INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1998:

(A) POWER CONSUMPTION:

	1997-98	1996-97
1. ELECTRICITY:		
Purchased Units (KWH)	Nil	6,190.48
Total Amount (Rs. Thousands)	Nil	19,487.05
Average Rate/Unit (Rs./KWH)	Nil	3.15
2. CONSUMPTION PER METRIC TONNE OF PRODUCTION:		
Electricity (KWH)	Nil	0.776

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Not applicable as we do not have any foreign collaboration on date.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (i) Foreign Exchange earned : **Rs. Nil** (Rs. Nil)
(ii) Foreign Exchange outgo : **Rs. Nil** (Rs. 2,84,570/-)

For and on behalf of the Board,
B.R. MAHESHWARI
Chairman

Place : Mumbai
Dated : 30th July, 1998.

CERTIFIED TRUE COPY
For Kamanwala Industries Limited.
[Signature]
Accounts

Fourteenth Annual Report 1997-98

AUDITORS' REPORT TO THE MEMBERS OF KAMANWALA INDUSTRIES LIMITED

We have audited the attached Balance Sheet of KAMANWALA INDUSTRIES LIMITED as at 31st March, 1998 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto.

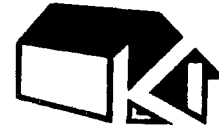
We report as follows:

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, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph above:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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; and
 - (c) The Balance Sheet and the Profit and Loss Account are in agreement with the books of account.
3. Attention is invited to Notes to the Accounts in Schedule 19 — with regards to the following:
 - (a) Note 1 (f) — regarding non-provision of accruing future liability for gratuity and other retirement benefits which is not actuarially determined.
 - (b) Note 10 — regarding non-provision of disputed doubtful debts of Rs. 23,337.02 in respect of which matter is pending before the court.
 - (c) Note 11 — regarding non-provision of depreciation on Factory Building, Plant & Machinery and Electrical Installation, as the Company's manufacturing unit known as Steel Division, at Nasik remained closed during the whole year.
4. Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 VIMAL PUNMIYA & CO.,
Chartered Accountants

VIMAL C. PUNMIYA
Proprietor

Place : Mumbai
Dated : 30th July, 1998.



KAMANWALA INDUSTRIES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date)

- | | |
|--|--|
| <p>(i) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Fixed Assets. The Company has physically verified its assets periodically. In our opinion, the frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on verification.</p> <p>(ii) None of the Fixed Assets has been revalued during the year.</p> <p>(iii) We are informed that stocks were regularly verified by the Architects and the Company's officials.</p> <p>(iv) In our opinion, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(v) The discrepancies noticed on such physical verification as compared to book records were not material on the basis of our examination.</p> <p>(vi) In our opinion, the valuation of these stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the previous years.</p> <p>(vii) The Company has not taken any loans secured or unsecured from companies, firms or other parties as listed in the register maintained under Section 301 of the Companies Act, 1956 and we are informed that there is no body corporate under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.</p> <p>(viii) The Company has not granted any loans secured or unsecured to companies, firms or other parties as listed in the register maintained under Section 301 of the Companies Act, 1956 and we are informed that there is no body corporate under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.</p> <p>(ix) In respect of Loans and Advances in the nature of loan to parties or employees they are generally repaying the principal and interest as stipulated though in a few cases, such repayments have not been regular. In our opinion the Company is taking reasonable steps for recovery of principal and interest amount thereof.</p> <p>(x) In our opinion and according to the information and explanations given to us, the internal control procedures need to be strengthened to make them commensurate with the size of the Company and nature of its business with regards to the purchase of materials including components, plant and machinery, equipment and other assets.</p> <p>(xi) According to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to</p> | <p>Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services at which transactions for similar goods, materials or services have been made with other parties.</p> <p>(xii) According to the information and explanations given to us, there were no unserviceable or damaged materials during the year.</p> <p>(xiii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder in respect of fixed deposits accepted from the public. Further, the Company has been legally advised that advances obtained from the public for purchase of flats, do not fall within the provision of Section 58A of the Companies Act, 1956.</p> <p>(xiv) The Company's operations do not generate any realisable by-products and the sale of the scrap is not significant.</p> <p>(xv) In our opinion, the Company has an Internal Audit System which is commensurate with the size of the Company and the nature of its business.</p> <p>(xvi) We have been informed that maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's activities.</p> <p>(xvii) According to the records of the Company, Provident Fund dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.</p> <p>(xviii) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Customs Duty and Excise Duty were outstanding as at 31st March, 1998 for a period of more than six months from the date they became payable.</p> <p>(xix) According to the information and explanations given to us and from the records of the Company examined by us, no personal expenses have been charged to revenue account, other than those payable under contractual obligations or in accordance with the generally accepted business practice.</p> <p>(xx) 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.</p> |
|--|--|

For VIMAL PUNMIYA & CO.,
Chartered Accountants
VIMAL C. PUNMIYA
Proprietor

Place: Mumbai
Dated : 30th July, 1998.

Fourteenth Annual Report 1997-98

BALANCE SHEET AS AT 31ST MARCH, 1998

	Schedule	Rupees	As at 31-3-1998 Rupees	As at 31-3-1997 Rupees
I. SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS:				
(a) Share Capital	1	2,88,75,800		2,88,75,800
(b) Reserves & Surplus	2	2,55,63,506		2,79,13,462
			5,44,39,306	5,67,89,262
2. LOAN FUNDS:	3			
(a) Secured Loans		1,56,87,553		1,23,23,884
(b) Unsecured Loans		3,20,32,291		1,36,47,260
			4,77,19,844	2,59,71,144
Total			10,21,59,150	8,27,60,406
II. APPLICATION OF FUNDS:				
(1) FIXED ASSETS :	4			
(a) Gross Block		6,25,44,791		6,77,10,343
(b) Less: Depreciation		1,57,35,016		1,63,25,879
			4,68,09,775	5,13,84,464
(2) INVESTMENTS	5		2,67,60,227	2,68,44,552
(3) A. CURRENT ASSETS, LOANS & ADVANCES :				
(a) Inventories	6	10,17,86,882		9,51,82,422
(b) Sundry Debtors	7	1,85,11,606		60,68,233
(c) Cash & Bank Balances	8	3,94,950		23,59,877
(d) Loans & Advances	9	4,24,19,150		5,04,24,559
		16,31,12,588		15,40,35,091
B. Less: CURRENT LIABILITIES & PROVISIONS:	10			
(a) Current Liabilities		11,53,95,191		13,02,93,208
(b) Provisions		1,93,43,195		1,94,63,385
		13,47,38,386		14,97,56,593
Net Current Assets (A-B)			2,83,74,202	42,78,498
(4) MISCELLANEOUS EXPENDITURE	11		2,14,946	2,52,892
(To the extent not written off or adjusted)				
Total			10,21,59,150	8,27,60,406
Notes to the Accounts	19			

CERTIFIED TRUE COPY
For KAMANWALA INDUSTRIES LTD.

As per our report of even date

For VIMAL PUNMIYA & CO.,
Chartered Accountants

VIMAL C. PUNMIYA
Proprietor

Mumbai: 30th July, 1998

Manager Accounts

DHIRUBHAI GONDALIA
Manager - Accounts

B.R. MAHESHWARI

M.L. GUPTA KAMANWALA

ATUL JAIN

S.V. SHANBHAG

B.D. JOGANI

Mumbai: 30th July, 1998

Chairman

Vice-Chairman & Managing Director

Whole-time Director

Director

Director