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ANNUAL REPORT 1996-97

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AKS
CREDITS LIMITED

AKS CREDIT LIMITED**Board of Directors**

Mr. Krishan Chawla, Managing Director
 Mr. Ved Parkash
 Mr. Prem Kumar Bedi
 Mrs. Kiran Chawla
 Mr. Om Prakash Pahuja
 Mr. Paramvir Singh

Auditors

Vinod Arora & Co.
 Chartered Accountants

Bankers

Union Bank of India
 Bank of Baroda

Registered Office

701-703, Suneja Tower-II,
 12, District Centre,
 Janakpuri, New Delhi -110 058

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AKS CREDIT LIMITED

DIRECTOR'S REPORT

TO THE MEMBERS

Your directors have pleasure in presenting the sixth Annual Report of the company and Audited Statements of Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS

The salient features of the Company's working results for the year ended 31st March, 1997, are summarised as below:

PARTICULARS	(Rs, in lacs)	
	1996-97	1995-96
Total Income	91.41	127.89
Profit after tax	(17.48)	(19.61)
Balance in Profit & Loss A/C	3.01	22.62

Appropriations

Proposed Dividend	Nil	13.78
Transfer to General Reserve	--	10.00
Balance carried to Balance Sheet	(14.47)	3.01

EXPANSION PLANS

Due to Liberation of Economic Policies of the Government new financial and other sectors are being thrown open for the new entrants which were earlier reserved only for the public sector. These new activities provide the challenging opportunities and good returns on investment. The Company is at present analysing the various options available and the Company wish to enter into such new venture which upon synchronization with its existing line operations will take the company to newer heights. For this purpose

Company has come out with a Right cum Public Issue of Rs.675 lacs in financial year 1996-97

DIRECTORS

Mr. Paramvir singh and Mrs Kiran chawla retire by rotation on the date of forthcoming Annual General Meeting. However being eligible they offer themselves for reappointment.

The Board recommends their appointments as Directors liable to retire by rotation.

PUBLIC DEPOSITS

The Company has not accepted deposits from public during the period under review.

PARTICULARS RELATING TO CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO UNDER SECTION 217(1) (e) OF THE COMPANIES ACT., 1956.

As the Company is engaged in finance, Leasing and Investment Business, the particulars relating to conservation of energy, technology absorption, as specified in the Companies (Disclosure of particulars in the report of Board of Directors' Rules 1988 are not applicable to the company. There was no foreign exchange and outgo during the period under review.

PERSONNEL

The Company is specially thankful to its employees who have taken direct initiative to professionalise the activities of the company in a significant manner. The company has no employee whose particulars need to be disclosed in terms of the requirements of section 217(2A) of the Companies Act, read with companies (Particulars of Employees) Rules 1975, as amended.

AKS CREDIT LIMITED**AUDITORS**

M/s. Vinod Arora & Co., Chartered Accountants, New Delhi retire as the Auditors of the Company at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. The reappointment will be within the prescribed limits specified in section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

Your Directors convey their sincere thanks to Banks and other concerned agencies for the continued cooperation extended to the company during the period under review. The Company is thankful to its members, clients, professional colleagues, well-wishers and friends whose support is motivating the Company to carry on its day-to-day affairs in a smooth and meaningful manner.

ACKNOWLEDGEMENT**for and on Behalf of the Board**

Krishan Chawla
Managing Director

Kiran Chawla
Director

New Delhi
2nd September

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AKS CREDIT LIMITED**AUDITOR'S REPORT**

To the Shareholders of

AKS CREDITS LIMITED, NEW DELHI

We have audited the attached Balance Sheet of AKS Credits Limited, New Delhi, as at 31st March, 1997 and the profit and loss account for the period ended on that date annexed thereto and report that :

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, 1996 we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure to in paragraph 1 above, we state that :
 - a) We have obtained all the information and explanation 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 such books.
 - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d) In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and Profit & Loss Account read together with the notes thereon give the information required by the Companies Act,

1956 in the manner so required and give a true and fair view :

- i) In so far as it relates to the Balance Sheet, of the State of Affairs of the Company as at 31st March, 1997, and
- ii) In so far as it relates to the Profit & Loss Account, of the Profit of the Company for the period ended on that date.

For Vinod Arora & Co.
Chartered Accountant

New Delhi
2nd September, 1997

(VINOD ARORA)
Proprietor

AKS CREDITS LIMITED

New Delhi

ANNEXURE TO AUDITORS REPORT

Referred to in paragraph 1 of our report of even date.

1. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management at the year end and no material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the period.
3. The procedure of physical verification of stocks followed by the company are reasonable and adequate in relation to the size of the Company and nature of its business.

AKS CREDIT LIMITED

4. The Company has not taken any loans, secured or unsecured from the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or from Companies under the same management within the meaning of section 370 (1-B) of the Companies Act, 1956
5. The Company has not granted any loans, secured or unsecured to the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or to Companies under the same management within the meaning of section 370 (1-B) of the companies Act, 1956
6. In respect of loans and advances in the nature of loans given by the Company, parties have repaid the principal amount as stipulated and were also regular in the payment of interest.
7. In our opinion and according to information and explanation, given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business.
8. In our opinion and according to information and explanation given to us there is no transaction of pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
9. In our opinion and according to information and explanation given to us, the company has not accepted any deposits during the year requiring compliance under section 58A of the Companies Act, 1956 and the direction issued by Reserve Bank of India thereunder.
10. In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
11. According to the records of the Company and information and explanation given to us, Provident to fund Act and Employees State Insurance Scheme do not apply to the Company for the period under audit.
12. A Demand of Rs. 14.41 lacs of Income Tax has been raised upon the Company for Assessment year 1994-95, the same is disputed in appeal except this there are no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty outstanding as at 31st March, 1997 for a period of more than six months from the date they become payable.
13. According to information and explanation given to us and records of the Company examined by us, no personal expenses have been charged to revenue accounts.
14. The Company has maintained adequate documents and records for loans and advance made against shares, debenture and other similar securities.
15. The provision of special status applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
16. The Company has maintained proper records for its dealing in shares and debentures. These securities are held by the Company in its own name.

For Vinod Arora & Co.
Chartered Accountant

Place : NEW DELHI (VINOD ARORA)
Dated : 2nd September, 1997 Proprietor

AKS CREDIT LIMITED**BALANCE SHEET AT AS 31ST MARCH, 1997**

Schedule	As At 31.03.97 (Rs.)	As At 31.03.96 (Rs.)
SOURCES OF FUNDS		
Shareholders Funds		
Share Capital A	7,46,52,940.00	3,25,30,000.00
Reserves and Surplus B	39,00,000.00	42,00,901.00
	<u>7,85,52,949.00</u>	<u>3,67,30,901.00</u>
Loan Funds		
Secured Loans C	19,88,905.00	48,41,902.00
Unsecured Loans D	48,38,483.00	34,93,318.00
TOTAL	<u>8,53,80,328.00</u>	<u>4,50,66,121.00</u>
Application Funds		
Fixed Assets E		
Gross Block	91,13,112.00	1,58,54,425.00
Less : Depreciation	<u>14,64,446.00</u>	<u>18,60,521.00</u>
Net Block	76,48,666.00	1,39,93,904.00
Investments F	59,00,000.00	18,00,000.00
Current Assets, Loans and Advances		
Stock in Securities G	2,54,83,495.00	89,48,617.00
Hire Purchase Stock (Net)	1,05,975.00	10,46,111.00
Cash & Bank Balances H	6,34,853.00	5,33,729.00
Loans and Advances I	5,55,42,014.00	2,70,19,114.00
	<u>8,17,66,337.00</u>	<u>3,75,47,571.00</u>
Less : Current Liabilities & Provisions J	<u>1,45,41,502.00</u>	<u>1,04,89,662.00</u>
New Current Assets	6,72,24,835.00	2,70,57,909.00
Miscellaneous Expenditure K		
To the extent not written off or adjusted	<u>46,06,827.00</u>	<u>22,14,308.00</u>
TOTAL	<u>8,53,80,328.00</u>	<u>4,50,66,121.00</u>

Accounting Policies and Notes on Accounts L

As per our attached report of even date

For Vinod Arora & Co.
Chartered AccountantsVinod Arora
ProprietorNew Delhi
Dated 2nd September, 1997Krishan Chawla
Managing DirectorO.P. Pahuja
Director

AKS CREDIT LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997**

Schedule	For the Year Ended 31.03.97 (Rs.)	For Year Ended 31.03.96 (Rs.)
INCOME		
Lease Income	33,33,947.00	36,67,063.00
Hire Charges/Interest	57,22,897.00	56,85,180.00
Income from Securities Trading		19,44,903.00
Professional Income		6,63,500.00
Income From Brokerage		4,48,489.00
Interest Income	18,304.00	3,07,007.00
Dividend Income	6,349.00	25,995.00
Other Income	59,868.00	47,054.00
TOTAL	91,41,365.00	127,89,191.00
EXPENDITURE		
Interest/Finance Charges	7,73,000.00	12,43,428.00
Administrative and Other		
Operating Expenses M	88,51,460.00	1,17,07,008.00
Preliminary, deferred & Public issue		
expenses written off	3,61,965.00	2,30,874.00
Depreciation	10,64,907.00	12,69,438.00
TOTAL	1,10,51,332.00	1,44,50,748.00
Profit/Loss Before Tax	(-) 19,09,967.00	(-) 16,61,557.00
Excess Provision of Previous		
Years Tax written back	(1,73,932.00)	
Provision for Taxation	12,556.00	3,00,000.00
Profit/Loss after Tax	17,48,591.00	19,61,557.00
Surplus brought forward from		
Last Year	3,00,901.00	22,62,458.00
Profit Available for Appropriation	(-) 14,47,690.00	3,00,901.00
APPROPRIATIONS		
Proposed Dividend		
Transferred to General Reserve		
Balance carried to Balance Sheet	14,47,690.00	3,00,901.00
Accounting Policies and		
Notes on Accounts N		
As per our attached report of even date		

for Vinod Arora & Co.
Chartered Accountants

Krishan Chawla
Managing Director

Vinod Arora
Proprietor
New Delhi
Dated 2nd September, 1997

O. P. Pahuja
Director