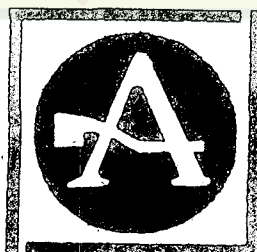


4th ANNUAL REPORT 1997-98

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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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ANKA INDIA LIMITED

**ANKA INDIA LIMITED****BOARD OF DIRECTORS**

ARSHDEEP SINGH SETHI
Jt. Managing Director

HARPREET SINGH SETHI
Director

DILDEEP SINGH SETHI
Director

VINAY MITTAL
Sr. Manager (Finance)

DINESH KUMAR ARORA
Company Secretary

AUDITORS

M/S. V. K. DHINGRA & CO.
Chartered Accountants
New Delhi

REGISTERED OFFICE & WORKS

VILLAGE & P.O.
KHERKI DAULA,
DISTT. GURGAON,
(HARYANA)

CONTENTS

NOTICE	3
DIRECTOR'S REPORT	5
AUDITORS' REPORT	8
BALANCE SHEET	10
PROFIT & LOSS ACCOUNTS	11
SCHEDULES	12
NOTES ON ACCOUNTS	17



ANKA INDIA LIMITED

NOTICE

Notice is hereby Given that the 4th Annual General Meeting of the Members of ANKA INDIA LIMITED will be held at VILLAGE & P.O. KHERKI DAULA, DISTT. GURGAON, HARYANA -122 001 on Wednesday the 30th September, 1998 at 9.30 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the company as on 31st March, 1998 together with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of MR. Harpreet Singh Sethi who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration M/S. V.K. DHINGRA & COMPANY, Chartered Accountants, New Delhi who retires at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment, and if consider fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT, pursuant to the provisions of Section 224 of the Companies Act, 1956 and other applicable provisions, if any, M/S. V. K. DHINGRA & CO., Chartered Accountant, New Delhi, the retiring Auditors, be and are hereby appointed as Auditors of the company, to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and be paid an remuneration based on hours actually devoted to the assignment and out of pocket expenses incurred by them."

SPECIAL BUSINESS

4. To consider and if thought fit, to / pass with or without modifications the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Dildeep Singh Sethi, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 08.01.98 and who holds the office upto the date of ensuing Annual General Meeting and in respect of whom the Company has already received notices u/s 257 of the Companies Act 1956 from the members of the Company signifying their intentions to propose Mr. Dildeep Singh Sethi as a candidate for the post of Director of the Company, is be and is hereby appointed as a Director of the Company."

5. To consider and if, thought fit to / pass with or without modifications the Following resolution as an SPECIAL RESOLUTION:

"RESOLVED THAT if and when permitted by the law and subject to all applicable approvals, permissions, sanctions, as may be necessary and subject to such conditions or modifications as may be considered necessary by the Board of Directors of the Company, or as may be prescribed or imposed while granting such approvals, permissions, sanctions which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such numbers of its Equity Shares as may be thought fit, from the holders of the Equity Shares of the Company in such proportions and manner as may be permitted by the law, not exceeding 25% of the present paid up capital of the Company from such funds of the Company as are permitted by the law on such rates and conditions as are permitted and prescribed by law and decided by the Board of Directors of the Company".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such things and deals with all such matters and take all such steps, in this regard as it may, in its absolute discretion, deem necessary, fit and proper".

"RESOLVED FURTHER THAT nothing herein contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy back any Equity Shares".

6. To consider and if thought fit, to pass with or without modifications the following resolution as a ORDINARY RESOLUTION:

1. "RESOLVED THAT subject to the provisions of Schedule XIII and subject to the approval of the Shareholders at the ensuing Annual General Meeting Sh. Harpreet Singh Sethi, Director be and is hereby appointed as an Whole Time Director of the Company for a period of Five Years w.e.f. 01.08.98 to 31.07.2003 and be paid an remuneration on the following terms and conditions:

- | | |
|---------------------|---|
| 1. Salary | Rs. 10,000 (Ten Thousands only per month) |
| 2. Housing | Rs. 5,000 (Five Thousands only per month) |
| 3. Conveyance | Company's maintained car with Driver for use on Company's business |
| 4. Medical Expenses | One month salary per annum |
| 5. L.T.A. | One month salary per annum |
| 6. Provident Fund | Company's contribution @ 12% of salary subject to the maximum limit of Rs. 600 per month. |
| 7. Gratuity Payable | Not exceeding half months salary for each completed year of service. |
| 8. Leave Encashment | Encashment of Leave @ 22 days in a year. |
| 9. Bonus /Ex-Gratia | As per Company's rules. |



ANKA INDIA LIMITED

Mr. Harpreet Singh Sethi, the Whole Time Director as long he functions as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof and that the aforesaid remuneration shall be paid as minimum remuneration in absence or inadequacy of profits or remuneration in excess of limits prescribed u/s 198 (1) and 309 (3) of the Companies Act, 1956 and also the Board of Directors be and are hereby authorised to make such modifications on the terms and conditions including tenure and remuneration as it may decide from time to time with in the provisions of Schedule XIIIth of the Companies Act, 1956".

By the order of Board

Place : Gurgaon

Date : 05.09.98

DINESH KUMAR ARORA
(Company Secretary)

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 29.9.1998 to 08.10.1998 (both days inclusive).
3. Members are requested to notify change in address, if any, to the company at its Registered Office, quoting correct folio number (s).
4. In the case of Joint holders, if more than one holder intend to attend the meeting they must obtain additional admission slips on request from the Registered Office of the Company.
5. Members seeking further information about the accounts are requested to write atleast one week before the date of the meeting.
6. The transportation facility shall be provided to and fro the Venue of the Meeting from Delhi Jaipur National Highway No.8, RANGPURI, OPPOSITE SHIV MURTI, AT 8.30 A.M. (Sharp) on Wednesday the 30th September, 1998.
7. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is furnished hereunder.

REGISTERED OFFICE

VILLAGE & P.O. KHERKI DAULA,
DISTT. GURGAON,
(HARYANA)

DATE : 5TH September 1998.

By Order of Board

(DINESH KUMAR ARORA)
COMPANY SECRETARY

EXPLANATORY STATEMENT

Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 annexed hereto and forming part of the notice, convening the 4th Annual General Meeting.

ITEM NO. 4

Mr. Dildeep Singh Sethi was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 8th January, 1998 Now his term is liable to expire on the date of ensuing Annual General Meeting. For this purpose the Company has received notices under Section 257 of the Companies Act, 1956 from a member of the Company signifying his intention to propose the name of Mr. Dildeep Singh Sethi as a candidate for the post of a Director of the Company.

None other than Mr. D. S. Sethi himself, no other Director is interested in this resolution.

Item No 5.

Buy Back of own Shares or others securities convertible into equity shares is presently not allowed under the Companies Act, 1956. The Companies Bill, 1997, sought to lay down the operative provisions to regulate the provisions of Buy Back of Shares / Securities by the Companies. The said bill has not yet become law but it is expected that, in due course of time, the law will be amend to allow such buy back.

It is proposed to Buy Back not exceeding 20% of the total voting powers relating to the shares or other securities of the Company from the existing security holders of the Company on a proportionate basis and /or from the open market and /or from the lots smaller then the market lots (Odd Lots) and /or by purchasing the shares from the employees of the Company.

Item No. 8

The Board of Directors in their meeting held on 24th July, 1998 have appointed Mr. Harpreet Singh Sethi as a Whole Time Director of the Company for a period of Five years commencing from 01.08.98 to 31.07.2003 on the terms and conditions as set out in the Schedule XIIIth of the Companies Act, 1956



ANKA INDIA LIMITED

DIRECTOR'S REPORT :

Dear Members,

Your Directors have pleasure in submitting their 4th Annual Report of the Company along with Audited Statement of Accounts for the Financial Year ended 31st March, 1998.

FINANCE RESULTS:

	YEAR ENDED 31.03.98	RS.IN LACS YEAR ENDED 31.03.97
NET SALES (Net of returns)	259.89	2.98
(LOSS)BEFORE DEPRECIATION & INTEREST	(26.83)	(5.34)
DEPRECIATION	49.71	1.70
INTEREST	76.68	2.03
LOSS FOR THE YEAR	153.22	9.07

OPERATIONS:

During the year under review your company recorded a turnover of Rs. 260 Lacs (Approx.) resulting into a loss of Rs.153 lacs, which is due to unavailability of working capital facilities from the Bank. However, the Company was sanctioned the working capital facilities from the Bank in the month of Nov. 97, accordingly effective working operations began in the month of Dec.97 with a delay of nine months. (Approx.)

BOARD OF DIRECTORS :

During the year under review Mr. Harpreet Singh Sethi was appointed as the Whole Time Director of the Company for a period of Five Years commencing from 01.08.98 and be paid an remuneration subject to the conditions and stipulations as mentioned in Schedule XIII th of the Companies Act, 1956.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr Harpreet Singh Sethi, Director of the Company will be retiring by rotation at the ensuing Annual General Meeting, being eligible offer himself for re-appointment.

During the year under review Mrs. Shelly Sethi resigned from the Directorship of the Company. The Board places on record its appreciation for the services and valuable guidance rendered by Mrs. Shelly Sethi during her tenure as Director.

During the Year under review Mr. Dildeep Singh Sethi was appointed as an Additional Director of the Company. However his term as Director will cease to exist at the ensuing AGM, but a notice U/S 257 of the Companies Act, 1956 has been received from a shareholder, signifying his intention to propose his (Mr. D.S.Sethi) name as a candidate for the post of a Director of the Company.

AUDITORS :

The observation of Auditors in their report other than Note No.5 & 7 of Schedule 'K' are self explanatory and therefore do not call for further clarifications. M/S V.K. Dhingra & Co, Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The company has received from the Auditors a Certificate as required under section 224 (1-B) of the Companies Act, 1956 to the effect that their re-appointment, if made, would be within the limits as prescribed in the said section.

FIXED DEPOSITS :

During the year under review Fixed Deposits aggregated to Rs. 8,64,500.00 lacs received from Public & Share holders. There were no unclaimed deposits pending with the Company as on date.

**ANKA INDIA LIMITED****PERSONNEL :**

During the year under review, no employee whether employed for the whole year or part of the year, was drawing remuneration exceeding the limits as laid down under section 217 (2 A) of the Companies Act, 1956. Therefore, the information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rule, 1975 is not required to be given.

COMMENTS ON THE AUDITORS REPORT

Item No.5 & 7 of Schedule 'K'

Your Directors clarifies that :

- a) Regarding unconfirmed Loans and advances amounting to Rs.30,55,490.00 : the same have been given to the parties for purchase of Raw material/ capital items for which the supplies are expected to start shortly and in one case the amount has been refunded by the party, due to non availability of raw material with him. In our opinion all the balances are good and recoverable.
- b) Regarding non-reconciliation of Allotment money due : Your Company with a view to reduce the expenditure ,started the in house share transfer work. Accordingly the Registrar to the public issue was asked to return all the details relating to the share capital raised from the public .Since the same is under process ,it shall take some time more to reconcile the balances shareholders wise. But we also ensure that, Since we are having a very strong internal control system in our Company, therefore there is nil chances of any mistake in recording the transaction for receipt of Allotment Money.

ACKNOWLEDGMENT :

Your Directors wish to place on record their appreciation for the valued Co-Operation and Assistance extended by various Government Agencies, Bankers of the Company, Industrial Development Bank of India, royal and dynamic Executives, Staff and other Workers of the company. The Board also take this opportunity to express its deep gratitude for the continuous support from Share Holders of the company.

FOR AND ON BEHALF OF THE BOARD

(A. S. SETHI)

Jt. Managing Director

PLACE : GURGAON

DATE : 5TH SEPTEMBER, 1998.



ANKA INDIA LIMITED

ANNEXURE TO DIRECTORS' REPORT

Particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

- 1) The Company continuously making efforts through its dedicated team to achieve high productivity Reduction in power consumption by various conservation methods are implemented in blowers, pumps air-compressors energy efficient light fittings and in manufacturing operations to reduce overall cost of power.
- 2) Additional energy Service equipments such as UPS, Voltage Stabilizers, powers capacitors heat exchangers have been attached with some of the machines to save energy
- 3) Auto transformer type electrical equipments for single phase supply have been used to avoid break down

B) TECHNOLOGY ABSORPTION

Efforts towards technology absorption, adaptation & Innovation

- 1) The company is laying great emphasis on the absorption of the design & manufacturing technology of PU & TPR Shoe Soles All efforts are being made to adopt the latest technology available in the market The company has a team of well qualified competent & experienced technicians and engineers, who are committed to unpacking, absorbing & adapting the latest technology.
- 2) The Company is maintaining a library of PU & TPR Shoe Soles adaptable to the growing market requirement.

C) FOREIGN EXCHANGES EARNING AND OUTGO:

The Company is presently supplying its material to domestic market only but septs are being taken to explore export market.

Foreign Exchange Earnings : NIL

Foreign Exchange Outgo : 1,67,06,636.18

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ANKA INDIA LIMITED

AUDITORS' REPORT

TO THE MEMBERS

We have audited the attached Balance Sheet of ANKA INDIA LIMITED as at 31st March, 1998 and annexed Profit and Loss Account of the Company for the year ended on that date. We report as follows :

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 and on the basis of such checks of the books and records of the company as we considered appropriate and the information and explanations given to us during the course of audit, we enclose 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 (1) 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;
 - c) The Balance Sheet and Profit and Loss Account dealt with by 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 explanations given to us, the said accounts, subject to non-provision of accruing liability for leave encashment payable to employees, effect of which on the accounts not being ascertained; Note No.(5) regarding non-provision of unconfirmed loans and advances amounting to Rs.30,55,490/- and Note No.(7) regarding non-reconciliation of Allotment Money Due Account and read with other 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 the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 1998; and
 - ii) in the case of Profit and Loss Account, of the Loss for the year ended on that date.

FOR V. K. DHINGRA & CO.
CHARTERED ACCOUNTANTS

PLACE: NEW DELHI.
DATED: SEPTEMBER 5, 1998

(V. K. DHINGRA)
PARTNER

ANNEXURE TO THE AUDITORS REPORT

REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF ANKA INDIA LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 1998.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, physical verification of major portion of the fixed assets was conducted by the management at the end of the year which in our opinion is reasonable having regard to the size of the Company and nature of its assets. On the basis of explanations given to us, no discrepancies have been noted on the aforesaid verification.
2. None of the fixed assets have been revalued during the year.
3.
 - i) The stocks of finished goods, stores, and raw materials have been physically verified by the Management during the year at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and the book records, though insignificant, have been properly dealt with in the books of account.
 - ii) The procedures of physical verification of stocks followed by the Management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - iii) In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
4. In our opinion, the terms and conditions on which interest free unsecured loans have been taken from the companies, firms or other parties listed in the register maintained under section 301 are not prima facie prejudicial to the interest of the Company. No loan has been taken from the companies under the same management as defined under section 370(1B) of the Companies Act, 1956.