

**18TH
ANNUAL REPORT
2011-2012**

ANKA INDIA LIMITED

BOARD OF DIRECTORS

Harpreet Singh Sethi
Whole-Time Director

Arshdeep Singh Sethi
Joint Managing Director

Paramjit Sethi
Director

Shri Hari Upadhya
Director

AUDITORS

V. K. Dhingra & Co.
Chartered Accountants
E-1/15, Jhandewalan
New Delhi-110055

INTERNAL AUDITORS

H. Kumar & Associates

REGISTERED OFFICE

Village & P.O. Kherki Daula,
Distt. Gurgaon, Haryana - 122001.

WORKS & PLANT

Village & P.O. Kherki Daula,
Distt. Gurgaon, Haryana - 122001.

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of Anka India Ltd., will be held on Saturday, 29th September, 2012 at Village & P.O. Kherki Daula, Distt. Gurgaon, Haryana-122001 at 9.30 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Together with the Profit & Loss Account on that date alongwith the Auditors & Directors Report thereon.
2. To appoint a Director in place of Mrs Paramji Kaur Sethi , who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors to hold Office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix their Remuneration. M/s. H. Kumar & Co., Chartered Accountants, have confirmed that their appointment, if made, will be within the limits specified in Section 224(1B) of the Companies Act, 1956.

By the Order of Board

Place: Gurgaon
Date : 3rd September, 2012

(Harpreet Singh Sethi)
Whole Time Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 28/09/2012 to 3/10/2012 (both days inclusive).
3. Members attending the meeting are requested to bring their own copy of the Annual Report and attendance slips sent herewith duly filled and signed.
4. Members are requested to notify change in address, if any, to the Company at its Registered Office, quoting correct folio number(s).
5. 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.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in Respect of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting is separately annexed hereto.
7. Corporate members intending to send their authorized representative/(s) u/s 187 of the Companies Act, 1956 are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
8. Members desirous of making nomination in respect of their shareholding in the Company , as permitted under Section 109A of the Companies Act, 1956 are requested to write to the Company's Registrar for the prescribed form.
9. Members having any questions with regard to the accounts are requested to write to the Compliance Officer of the Company i.e. Mr. H. S. Sethi at least ten days in advance, to enable the Company to keep the information ready.

ANKA INDIA LIMITED

10. Shareholders are requested to address all correspondence relating to their dmtr shareholding to the Company's Registrars and Share Transfer Agents at the Following address;

Alankit Assignments Ltd.
Alankit House, 2E/21
Jhandewalan Extension
New Delhi-110055.

Details of the Directors seeking appointment/ re-appointment in Annual General Meeting fixed on 29th September, 2012. (In Pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr Paramjit Sethi
Date of Birth	05.06.1940
Date of Appointment	01.10.2008
Expertise in specific	29 Years
Functional area	PERSONNEL & ADMINISTRATION
Qualifications	Graduate
Lists of Outside Directorship held	NIL
Chairman /Member of the committee of the Board of Directors of the company.	Audit Committee Nil Anka India Ltd Share Transfers & Investors Grievances Committee Anka India Ltd (Member)
Chairman/Member of the Committee of the Board of Directors of other company	Nil
Details Of shares Held in Company	Nil

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless Compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Reports can be sent by E-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Company's Registrars & Transfer Agents, Alankit Assignments Ltd at the Address given above in the Notice in Note 10.

CEO / CFO CERTIFICATION IN TERMS OF CLAUSE 49(V) OF THE LISTING AGREEMENT

**To the Board of Directors
Anka India Ltd
Village & PO Kherki Daula,
Distt. Gurgaon, Haryana-122001**

Dear Sir,

1. I Harpreet Singh Sethi, Whole Time Director of the Company hereby certify that I have reviewed the Balance Sheet , Profit & Loss Account and all its Schedules and Notes and Accounts as well the Cash Flow Statement as at 31st March,2012 and certify that to the best of our knowledge and belief:
 - 1) These Statements do not contain any materially untrue statement of omit any Material fact or contain any Statement that might be misleading:
 - 2) These Statements read together present a true and fair view of Companies affair and are in Compliance with existing Accounting Standards, applicable laws and regulations.
2. We further certify that, to the best of our knowledge and belief, no transactions have been entered into by the company during the year under review which are fraudulent, illegal or voliative of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining disclosure control s and procedures and internal controls over financial reporting for the Company and we have:
 - a) Designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to us by others within the Company, particularly during the period in which this report is being prepared.
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c) Evaluated the effectiveness of the Company's disclosures, controls and Procedures.
 - d) Disclosed in the report any change in the Company's internal control over financial reporting that occurred during the Company's most recent financial year that has materially affected, or is reasonably likely or materially affect, the Company's internal control over financial reporting.
5. We have disclosed based on our most recent evaluations, wherever applicable, to the Company's auditors and the Audit Committee of The Company 's Board (and performing the equivalent functions)
 - a) all deficiencies in the design or operation of the internal controls , which could adversely affect the Company's ability to record, process ,summaries and report financial data, and have identified for the Company's auditors, any material weakness in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - b) Significant changes in internal controls during the year covered by this report.
 - c) All the significant changes in accounting policies during the year , if any. And that the same have been disclosed in the notes to the financial statements.
 - d) Instances of significant fraud of which we are aware, that involve management or other employees who have a significant role in the Company's internal controls system.

**Place: New Delhi
Date: 18th June, 2011**

**Harpreet Singh Sethi
Chairman & Whole Time Director**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Indian Economy - The year under review was very challenging year for the India economy, during the year India recorded 6.5% increase in the GDP, which is lower than recorded in the previous years. That was attributed to numbers of factors like weak global demand high crude oil prices and other factors which continuously hammered the Indian economic growth. The authorities are obliged to sacrifice the growth rather to reduce the interest rates. The disposable income available to consumer has reduced leading to lower demand and slow down.

The Indian Footwear Industry - Structure and Development: Indian Footwear Industry exists both in the traditional and modern sector. The traditional sector is mainly dominated by the small scale units, which accounts for nearly 55% of total production of Indian Footwear Industry. Whereas, the modern sector is characterized by the large scale manufacturers, who are more organized and focused towards serving the Industry with large installed capacities, latest technology base and skilled manpower. Our Industry has expected to reach a total turnover in Over of a period of time, Indian Footwear Industry has adopted the systems of automated footwear manufacturing by replacing the manual footwear manufacturing methods. Most of the organised manufacturers are now equipped with In-house Design Studios incorporating state-of-the-art facilities having latest technologies.

Footwear Industry has emerged as an important sector not only in India but at globally as well. India has been the second largest global producer of footwear after China, accounting for nearly 13% of global footwear production of 16 billion pairs. India produces 2065 million pairs of different categories of footwear (leather footwear - 909million pairs, leather shoe uppers -100 million pairs and non-leather footwear - 1056million pairs). India exports about 115 million pairs. Thus, nearly 95% of its production goes to meet its own domestic demand.

Opportunities/Threats, Risk and Concern: Being an Manufacturers of P.U. & TPR shoe soles Anka has always catered to the needs of its customers updating the latest trends and fashion to maintain its presence in the market. Anka has constantly been evolving to keep pace with the changing trends, styles, beliefs and aspirations of customers while maintaining the sanctity of certain traditions like workmanship and good value for money.

Internal Control System and its Adequacy: Anka has an adequate system of internal controls involving authorisation levels, supervision, checks, procedures through documented guidelines, which provide that all Company's transactions are authorised, recorded and reported correctly. Liberty also places its utmost importance on the effective internal audit systems.

The CEO/CFO certification provided elsewhere in the Annual Report discusses the adequacy of internal control systems and procedures followed by the Company.

COMPANY'S FINANCIAL PERFORMANCE & ANALYSIS**A. FIXED ASSETS**

The composition of assets is as under:

(Amount in Rs.)

Particulars	March 31 2012	March 31 2011
Land	2111880.00	2111880.00
Building	11497292.31	11497292.31
Plant & machinery	49956523.35	49956523.35
Electrical Equipments	901705.21	901705.21
Furniture & fixture	1262893.36	1262893.36
Office equipment	1407138.49	1407138.49
Vehicles	1120410.00	1120410.00
Total	68257842.72	68257842.72
Less accumulated depreciation	49143142.40	46845316.07
Impairment	2881304.95	2881304.95
Add: cwip	—	—
Net fixed assets	16233395.37	18531221.70

B. Results Of Operations

The summary of operating performance for the year is given below:

(Amount in Rs.)

Particulars	Year Ended 31-Mar-12	Year Ended 31-Mar-11
INCOME		
Sales & Job work(Net)	—	2836903.00
Other Income	—	2548.69
Increase/(Decrease) in Finished goods & work in Progress	—	(123360.00)
Total Income	—	2716091.69
EXPENDITURE		
Material cost	—	1630500.00
Other Manufacturing Expenses	—	—
Payment & Benefits to Employees	256052.00	163657.00
Administrative Selling & Other Expenses	1937383.00	904320.00
OPERATIVE EXPENSES	2193435.00	2698477.00
Expenses Allocated to self Constructed Assets	—	—
EBIDT	(2177371.00)	17614.69
Less Depreciation	2297826.00	1364631.64
Interest & Financial Charges	167487.00	10155.00
Earning Before Tax Prior Period Adjustment & Extra Ordinary Item	(4658749.00)	(1357171.95)

Human Resources Developments: Indian Footwear Industry has come a long way to occupy a place of prominence in view of its massive potential for growth & exports while providing opportunities for employment over 25 Lacs people in the industry, of whom 30% are women. Considering the ample opportunities available in the footwear sector, a fairly good institutional base has now been established in India, which is providing the requisite training and Human Resource development in the organized industry. The Footwear industry has employment potential of 3 Lacs jobs in next 3 years across all sections of the economy.

Anka makes a continual efforts for training, upgradation and development needs of its Human Capital for their growth along with its own growth. Various in-house training programmes have been organised and also encouraged its employees to different external training programmes.

Cautionary Statement: Statements in the Management's discussion and analysis, describing the Company's objectives, expectations and industrial outlook, may constitute forward looking statement' within the meaning of applicable laws. The actual results might differ materially from those either expressed or implied.

DIRECTORS' REPORT

Dear Members,

Your Directors are submitting their 18th Annual Report alongwith Audited Statement of Accounts for the period ended on 31st March, 2012. The Management Discussion & Analysis (MDA) report has been included at the appropriate places in the report.

1. FINANCIAL HIGHLIGHTS

	(Rs.)	
	(Current Year)	(Previous Year)
NET SALES (Net of Returns)	0.00	2836903.00
PROFIT/(LOSS) FOR THE YEAR (BEFORE DEPRECIATION & INTEREST)	(2177371.00)	(1357171.95)
PRIOR PERIOD ADJUSTMENT	(16064.00)	(12281.00)
INTEREST	167487.00	10155.00
DEPRECIATION	2297826.00	1364631.64
NET PROFIT / (LOSS) FOR THE YEAR (Includes prior period provisions of Liquidated damages & penal interest of IDBI)	(1862268.00)	(1369452.95)

2. OPERATIONS

During the year under review the no manufacturing operations were under taken by the company. The Company has incurred a net Loss of Rs. 18.62 Lacs as against the net loss of Rs. 13.70 lacs in the previous year. It was attributed to the number of factors like lack of working capital.

3. INSURANCE

All the Properties of the Company including its buildings, Plant & Machinery and stocks are adequately insured

4. BOARD OF DIRECTORS***Retire by Rotation***

In accordance with the provisions of the Section 256 Companies Act, 1956 and the Articles Of Association of the Company Mrs Paramjit Sethi, Director who will be retiring by rotation, being eligible offers herself for re- appointment. Brief resume of the Director seeking re-appointment at this Annual General Meeting, Nature of his expertise and other details as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges are given in the Annexure to the Notice Convening the 18th Annual General Meeting.

Resignation of Mr. Srihari Upadhayay, Independent Director

During the year under review Mr. Srihari Upadhayay, Independent Director of the Company submitted his resignation to the Company due to some preoccupation . the Board acknowledges and placed on record its sincere appreciation for the services rendered by Mr Srihari during his tenure as Director.

Further after the resignation of Mr. Srihari Upadhayay on independent Director was appointed in the Company and in this behalf efforts are being made to appoint two non executive independent Directors to meet the requirement of Clause 49 of the Listing Agreement of the Stock Exchange.

5. Audit Committee

The Audit Committee has been Functioning since January 2000 and the scope of the committee meets the requirements of the Cause 49 of the Listing Agreement with the Stock Exchange and Section 292A of the Compaiaes Act 1956.

6. CORPORATE GOVERNANCE REPORT

Your Company has implemented the Corporate Governance Practice set out by the Securities Board of India (SEBI) and as set out in Clause 49 of the Listing Agreement entered into with the Stock Exchanges alongwith the Auditors Certificate (Practising Company Secretary) on its Compliance by the Company is included in this Annual Report.

7. DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

On the basis of the compliance certificate received from the concerned executive of the Company, subject to the disclosures in the Annual Accounts and also on the basis of the discussions with the Statutory Auditors of the Company from time to time Your directors hereby confirm:

- i) that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period.
that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iii) That the directors had prepared the annual accounts on a going concern basis.

9. FIXED DEPOSITS:

During the year under review the Company has not accepted/renewed, any Fixed Deposits with in the meaning of Section 58 A of the Companies Act, 1956.

10. LISTING ON STOCK EXCHANGE

The Companies shares are listed on Mumbai Stock Exchange.

11. INTERNAL CONTROL SYSTEMS

The Company has an effective system of accounting and administrative controls which ensure that all asstes of the company are safe guarded and protected against loss from unauthorized use or disposition. The Company has a well defined organizational structure with clear functional authority limits for the approval of all the transactions.

The company has a strong reporting system, which evaluates and forewarns the management on issues related to compliance . The performance is regularly reviewd by the Board of Directors o ensure that it is in keeping with the overall corporate policy and in line with the Companies objectives.

12. AUDITORS

M/s H. KUMAR & Co., Chartered Accountants, the Auditors of the Company to hold office until the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The necessary certificate as required u/s 224 (2B) of the Companies Act, 1956 has been received from the above named auditors.

14. AUDITORS' REPORT AND NOTES ON ACCOUNTS

Comments on the Auditors' Observations:

a. Reply to point no. 3 f (i) of the Auditors Report

The Company obtains the confirmations in ordinary course of business from time to time and no major variations are found.

b. Reply to point no. 3 f (ii) of the Auditors Report

The Company manufacture Shoe Soles and styles and forms of the soles depends upon the style of the Shoes and styles of the shoes changes from time to time due to the change in fashion. In this respect some shoes become out of fashion, which leads to the non use of certain moulds. It has also happened in past that some moulds were re used again. Now sometimes it becomes very difficult to assess or value the impairment loss of the Moulds on regular basis. As the Auditors have pointed out the company is making all the efforts to calculate on regular basis the impairment loss.

c. Reply to point no. 3 f (iii) of the Auditors Report

Efforts are being made to obtain the certificate from the qualified acturian.

15. PARTICULARS OF EMPLOYEES U/S 217 (2A) OF THE COMPANIES ACT, 1956.

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(2A) 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) Rules, 1975 is not required to be given.

16. PERSONNEL

The industrial relations scenario continued to be stable during the year under review. The Company has been taking various initiatives for the HR development and this continue in this ensuing year as well.

17. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT - GO.

The information pertaining to the captioned areas are briefed in the ANNEXURE to this report.

18. CEO/CFO Certificate

As required by the Clause 49 of the Listing Agreement, the CEO/CFO certificate on the accounts is attached and forms part of the Annual Reoprt.

19. APPRECIATION

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, IDBI, loyal & dynamic executive staff and other workers of the Company. The Board also takes this opportunity to express its deep gratitude for the continuous support received from the shareholders of the Company.

For and on behalf of the Board

Place : New Delhi
Date : 3rd September, 2012

(HARPREET SINGH SETHI)
Chairman & Whole Time Director