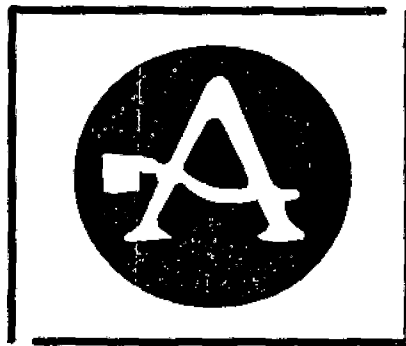


ANKA INDIA LTD.

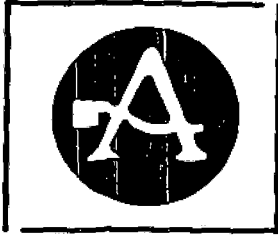
Registered Office :

VILLAGE & P.O. KHERKI DAULA,

DISTT. GURGAON, HARYANA-122 001



14th Annual Report 2008



BOARD OF DIRECTOR

Shri Harpreet Singh Sethi
Shri Arshdeep Singh Sethi
Mrs. Paramjeet Kaur Sethi
Shri Sushil Pandey
Shri Hari Upadhyay
Shri Kamal Sanwal

REGISTERED OFFICE & WORKS :

Village & P.O. Kherki Daula
Disstt. Gurgaon-122 001 (Haryana)

Corporate Office :

1307-1308, Vikrant Tower,
Rajendra Place, New Delhi-110025

AUDITORS

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

INTERNAL AUDITORS

M/s. H. Kumar & Associates
Chartered Accountants

ANKA INDIA LIMITED

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



NOTICE

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 Together with the Profit & Loss Account on that date alongwith the Auditors & Directors Report thereon.
2. To appoint a Director in place of Mr. Kamal Sanwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration, M/s. V.K. Dhingra & Co., Chartered Accountants, New Delhi retire at this Annual General Meeting and being eligible, offer themselves for reappointment and to pass , with or without modifications, the following resolution , which will be proposed as and ordinary resolution

"RESOLVED THAT M/s V.K.Dhingra & Co, Chartered Accountants , be and are hereby re- appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and the Audit Committee of the Board of Directors of the Company be and is hereby authorized to determine the remuneration payable to the Companies Auditors".

SPECIAL BUSINESS

4. To consider, and if thought fit to pass with or without modifications the following resolution as **SPECIAL RESOLUTION.**

RESOLVED THAT subject to the approval of the Central Government, if required, and such other consents, permissions and approvals as may be required, and pursuant to the provisions of Section 198,309,310 & 311 and all the other Applicable provisions of the Companies Act, 1956(herein after referred to as the Act) read with Schedule XIII of the Act, the Company hereby accords its approval to the re-appointment of Mr. Harpreet Singh Sethi , Whole Time Director, of the Company for a period five years beginning from **01.10.2008** , on the terms and conditions including remuneration ,minimum remuneration in case of loss or inadequacy of profit in any Financial year as set out in the Explanatory Statement to the Notice and also set out in detail in the draft agreement submitted to this meeting and for identification signed by the director thereof , is hereby specifically sanctioned with the authority to the Board of Directors to alter, modify, change, substitute ,consolidate, delete and /or revise all or any of the terms and conditions including as to remuneration, ,designation of the said appointment in any manner and from time to time ,as the Board may in absolute discretion decide.."

" FURTHER RESOLVED THAT in the event where in any financial year during the tenure of Mr. Harpreet Singh Sethi, the Company has no profits or the profits are inadequate, it may pay a remuneration to Mr. Harpreet Singh Sethi the total of which may exceed the ceiling limit as specified in Section II (B)of The Schedule XIII of the Act'

RESOLVED FURTHER that the Board of Directors be and are hereby authorized to do all such acts and deeds and things and execute all such documents , instruments and writings as may be required to give effect to this resolution.

5. To consider, and if thought fit to pass with or without modifications the following resolution as **SPECIAL RESOLUTION.**

RESOLVED THAT subject to the approval of the Central Government, if required, and such other consents, permissions and approvals as may be required, and pursuant to the provisions of Section 198,309,310 & 311 and all the other Applicable provisions of the Companies Act, 1956(herein after referred to as the Act) read with Schedule XIII of the Act, the Company hereby accords its approval to the re-appointment of Mr. Arshdeep Singh Sethi , Jt. Managing Director, of the Company for a period five years beginning from **01.10.2008** , on the terms and conditions including remuneration



minimum remuneration in case of loss or inadequacy of profit in any Financial year as set out in the Explanatory Statement to the Notice and also set out in detail in the draft agreement submitted to this meeting and for identification signed by the director thereof, is hereby specifically sanctioned with the authority to the Board of Directors to alter, modify, change, substitute, consolidate, delete and /or revise all or any of the terms and conditions including as to remuneration, designation of the said appointment in any manner and from time to time, as the Board may in absolute discretion decide..”

“ **FURTHER RESOLVED THAT** in the event where in any financial year during the tenure of Mr. Arshdeep Singh Sethi, the Company has no profits or the profits are inadequate, it may pay a remuneration to Mr. Arshdeep Singh Sethi the total of which may exceed the ceiling limit as specified in Section II (B) of The Schedule XIII of the Act’

RESOLVED FURTHER that the Board of Directors be and are hereby authorized to do all such acts and deeds and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.

By the Order of Board

Place New Delhi
Date : 4th September 2008.

(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 MEETING.**
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 29/09/2008 to 3/10/2008 (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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT,1956****ITEM NO 4****I. REMUNERATION PACKAGE OF SH. HARPREET SINGH SETHI**

Mr. Harpreet Sing Sethi , promoter Director of the Company has been appointed as the Whole Time Director of the Company .w.e.f. .01.10.03 for a period of five years . Mr. Sethi has a technical experience of more than 20 years. The Board considers that it would be in the interest of the Company to appoint him as the Whole Time Director of the Company.

The terms of his appointment as approved by the Remuneration Committee are as under:

I Period of Appointment : Five Years w.e.f. 01.10.08

II Remuneration : Remuneration payable to Mr. Harpreet Singh Sethi w.e.f. 01.10.08 as under

Total Salary: Rs. 65,000/- per month.

II. PERQUISITES**CATEGORY 'A'**

- a) Housing : Company leased accommodation will be provided to him.
- b) Gas, Electricity, and Water : The Company will reimburse the expenses on gas, electricity and water subject to the maximum expenses of Rs. 15000 /- per month.
- c) Medical Reimbursement: Expenses incurred for self and wife on actual including premium for Mediclaim subject to a maximum of Rs. 25,000/- per annum
- d) LTC / LTA: LTC for self, wife, dependent children and dependent parent twice in a year and from any place in India up to a maximum of Rs 25,000/- per annum.

CATEGORY 'B'

- e) Corporate Membership of one Club.
- f) Motor Car Reimbursement of car expenditure for official use incurred by the Director including the normal wear and tears/driver's salary, insurance of car etc. and personal use, if any, of car will be recovered @ Rs. 15000 /- per month.
- g) Telephone – Provision of telephone at residence and a mobile telephone
- h) Provision of car for use on the Company's business and telephone at residence and mobile would not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose would be billed to the Executive Director.
- i) Personal Accident Insurance.

**III Retiral Benefits :**

- A Contribution to the Provident Fund and the Superannuation Fund to the extent these either singly or put together, are not taxable under the Income Tax Act, 1961.
- B Gratuity payable at the rate of half a month's salary for each completed year of service.
- C Privilege leave as per the Company Rules.

OTHER TERMS:

- a) Sitting Fees: He will not be entitled to sitting fees for attending meetings of the Board or Committee (s) thereof.
- b) Reimbursement of Expenses: Reimbursement of traveling, entertainment and other expenses incurred by him during the course of business of the Company.
- c) The remuneration as aforesaid shall be paid as minimum remuneration to Sh. Harpreet Singh Sethi in the event of absence or inadequacy of Profits in any financial year

further during the tenure of the appointment of Mr. Sethi, the Board of Directors may increase the remuneration of Sh. Harpreet Singh Sethi, Whole Time Director of the Company, however, his total remuneration shall not exceed 10% Per Annum and subject to the limits admissible under the Companies Act, 1956.

None of the Directors except Mr. Harpreet Singh Sethi is in any way concerned or interested in the proposed resolution

The Directors recommend this resolution for the approval of the shareholders .

This explanation together with the accompanying Notice is, and should be considered as a abstract of the terms of appointment of Shri Harpreet Singh Sethi as Whole Time Director of the Company pursuant to the provisions of Section 302 of the Companies Act ,1956 .

ITEM NO.5**2. REMUNERATION PACKAGE OF SH. ARSHDEEP SINGH SETHI**

Mr. Arshdeep Sing Sethi , promoter Director of the Company has been appointed as the Jt. Managing Director of the Company .w.e.f. .01.10.03 for a period of five years . Mr. Sethi has a technical experience of more than 20 years . The Board considers that it would be in the interest of the Company to appoint him as the Managing Director of the Company.

The terms of his appointment as approved by the Remuneration Committee are as under:

I : Period of Appointment : Five Years w.e.f. 01.10.08

II Remuneration : Remuneration payable to Mr. Arshdeep Singh Sethi w.e.f. 01.10.08 as under

Total Salary: Rs. 65,000/- per month.

**II. PERQUISITES
CATEGORY 'A'**

- a) Housing : Company leased accommodation will be provided to him.
- b) Gas, Electricity , and Water : The Company will reimburse the expenses on gas , electricity and water subject to the maximum expenses of Rs. 15000 /- per month.
- c) Medical Reimbursement: Expenses incurred for self and wife on actual including premium for Medi claim subject to a maximum of Rs. 25,000/- per annum
- d) LTC / LTA: LTC for self, wife, dependent children and dependent parent twice in a year and from any place in India up to a maximum of Rs 25,000/- per annum.

CATEGORY 'B'

- e) Corporate Membership of one Club.
- f) Motor Car- Reimbursement of car expenditure for official use incurred by the Director including the normal wear and tears / driver's salary, insurance of car etc. and personal use, if any, of car will be recovered @ Rs. 15000 / - per month.
- g) Telephone – Provision of telephone at residence and a mobile telephone
- h) Provision of car for use on the Company's business and telephone at residence and mobile would not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose would be billed to the Executive Director.
- i) Personal Accident Insurance.

III Retiral Benefits :

- A Contribution to the Provident Fund and the Superannuation Fund to the extent these . either singly or put together ,are not taxable under the Income Tax Act,1961.
- B Gratuity payable at the rate of half a month's salary for each completed yaer of service.
- C Privilege leave as per the Company Rules.

OTHER TERMS:

- a) Sitting Fees: He will not be entitled to sitting fees for attending meetings of the Board or Committee (s) thereof.
- b) Reimbursement of Expenses: Reimbursement of travelling, entertainment and other expenses incurred by him during the course of business of the Company.
- c) The remuneration as aforesaid shall be paid as minimum remuneration to Sh. Arshdeep Singh Sethi in the event of absence or inadequacy of Profits in any financial year

further during the tenure of the appointment of Mr. Sethi, the Board of Directors may increase the remuneration of Sh. Arshdeep Singh Sethi, Jt. Managing Director of the Company, however, his total remuneration shall not



exceed 10% Per Annum and subject to the the limits admissible under the Companies Act, 1956.

None of the Directors except Mr. Arshdeep Singh Sethi is in any way concerned or interested in the proposed resolution

The Directors recommend this resolution for the approval of the shareholders .

This explanation together with the accompanying Notice is ,and should be considered as an abstract of the terms of appointment of Shri Arshdeep Singh Sethi as Jt. Managing Director of the Company pursuant to the provisions of Section 302 of the Companies Act ,1956 .

Details of the Directors seeking appointment/ re-appointment in Annual General Meeting fixed on 30th September, 2008. (In Pursuance of Clause 49 of the Listing Agreement)

Name of Directors	Mr.Harpreet Singh Sethi
Date of Birth	15/06/1965
Date of Appointment	Promoter Director
Expertise in specific Functional area	Industrialist
Qualifications	B.A (H) Economics
Chairman /Member of the committee of the Board of Directors of the company	Chairman of 1) Audit Committee 2) Shareholders/Investors Grievance Committee
Chairman/Member of the Committee of the Board of Directors of other company	Director of M/s. Darsh Polymers Pvt.Ltd. M/s. Flamingo Homes Pvt. Ltd.
Name of Directors	Mr Arshdeep Singh Sethi
Date of Birth	07/01/1971
Date of Appointment	Promoter Director
Expertise in specific Functional area	Industrialist
Qualifications	Graduate, Tech. Training at Werrand Italy
Chairman /Member of the committee of the Board of Directors of the company.	Member of 1) Audit Committee 2) Shareholders/Investors Grievance Committee



Chairman/Member of the Committee of the Board of Directors of other company	Director of M/s. Darsh Polymers Pvt. Ltd M/s. Bhavya Promoters Pvt. Ltd
Name of Director	Mr. KAMAL SANWAL
Date of Birth	14/4/1972
Date of Appointment	28/12/2001
Expertise in specific Functional area	10 Years PERSONNEL & ADMINISTRATION
Qualifications	Graduate
Lists of Outside Directorship held	1 (DTG INDIA (P) LTD.)
Chairman /Member of the committee of the Board of Directors of the company.	NIL
Chairman/Member of the Committee of the Board of Directors of other company	NIL

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

**To the Board of Directors
Anka India Ltd
Village & P.O.
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 2008 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 voitative 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:16th August .2008

Harpreet Singh Sethi
Whole Time Director



**CORPORATE GOVERNANCE REPORT OF ANKA INDIA LTD
for the year ended 31st March, 2008 .**

1. Philosophy of Corporate Governance

The Company philosophy of Corporate Governance is to enhance the long term shareholders value, achieve operational efficiencies and business results in all areas of company's operations, with compliance of all statutory and regulatory provisions. The believes in transparency, openness and disclosure of information consistent with the business environment in which the company operates .

2. Composition of Board

The Board of Directors of the Company consists of 5 (Five) Executive, Non-executive And Independent Directors. The Composition of the Board of Directors of the Company as on 31st March 2008 was as under: -

S.NO.	NAME	STATUS	Other Directorship/ Comm. Membership
1	Sh.Harpreet Singh Sethi	Whole Time Director	Darsh Polymers (P) Ltd
2	Sh.Arshdeep Singh Sethi	Jt. Managing Director	Darsh Polymers (P) Ltd
3	Sh. Sushil Pandey	Chairman & Non Executive Independent Director	NIL
4	Sh. Shri Hari Upadhyay	Non Executive Independent Director	NIL
5	Sh. Kamal Sanwal	Non Executive Independent Director	DTG India (P) Ltd
6.	Ms Paramjit kaur	Non Executive Independent Director	Nil

As mandated by the revised clause 49 , all the independent Directors on the Company's Board are Non-Executive and:

Do not have any material pecuniary relationships or transactions with the Company , its promoters , its Directors, its senior management and associates , which may affect independence of the Directors.

Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.

Have not been Executive of the company in the immediately preceding three Financial years of the Company.

Are not partner or executive of the or were not partner or executive of the Statutory Audit Firm or the Internal Audit Firm and legal Firms, Consulting Firms, which have association with the Company.

Are not material suppliers, services providers or customers or lessor or lessees of the Company, which may affect independence of the Directors

Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

(a) Directors Attendance at Board Meetings

Five Board Meetings were held during the financial year 2007-2008.

These Meetings were held on 30th April, 2007, 30th July 2007, 4th September 2007, 30th October, 2007 , 30th January 2008, 5th March, 2008.



above meetings was as following:-

Name	No. of Board Meetings Attended	Attended Last AGM
Sh. Harpreet Singh Seth	06	YES
Sh. Arshdeep Singh Sethi	06	YES
Sh. Sushil Pandey	06	YES
Sh. Shri Hari Upadhyay	06	YES
Sh. Kamal Sanwal	06	YES
Ms Paramjit Kaur	03	No

Board Committees

3. Audit Committee

The role and the powers of the Audit Committee are as per the provisions of the Companies Act, 1956 and the guidelines in the Listing Agreements with the Stock Exchanges. The Committee meets the statutory / Internal Auditors periodically and reviews the quarterly/ half yearly and Annual Auditors reports on Financial Statements and discusses their findings and suggestions and seeks clarifications thereon.

The Audit Committee comprises of three Directors. Namely Mr. Sushil Pandey, who is non-executive and independent Director and also the Chairman of the Audit Committee and Mr. Sri Hari Upadhyay, Independent Director & Mr. Kamal Sanwal, Independent Director are the Other Members of the Audit Committee. The Audit Committee met four times on 30th April 2007, 30th July 2007, 30th October 2007, & 30th January 2008.

All the Independent Directors of the Company attended all four meetings of Audit Committee.

The terms of reference of Audit Committee are in conformity with the requirements of the Clause 49 of the listing agreement and also Section 292A of the Companies Act, 1956.

4. Remuneration Committee

The terms of reference of remuneration Committee consists of reviewing the compensation policy, service agreements and other employment conditions of the Managing Director.

The Company pays managerial remuneration to its Managing Director, the only executive Director, as approved by the Board of Directors, shareholders. The details thereof are given in the note to the Accounts.

No remuneration is paid to any other Directors

Since there was no change in the Managerial remuneration the Remuneration Committee did not meet during the year under review.

The Company has constituted a Remuneration Committee Which consists of three Directors namely Mr. Sushil Pandey who is non-executive and independent Director, is the Chairman of the Remuneration Committee and Mr. Sri Hari Upadhyay & Mr. Kamal Mehra are the other members of the committee.

The details of remuneration paid to Sh. Harpreet Singh Sethi and Sh. Arshdeep Singh Sethi during the Year ended on



31. 03. 2008 is given as follows.

NAME	ANNUAL SALARY	PERQUISITES
Sh. Harpreet Singh Sethi	Rs. 7,20,000/-	NIL
Sh. Arshdeep Singh Sethi	Rs.7,20,000/	NIL

No sitting fees was paid to any directors for attending the Board or any Committee Meetings.

5. Shareholders Grievances cum Share Transfer Committee

The investor / Shareholders grievances Committee deals with various matters relating to transfer / Transmissions of Shares , issues of duplicate share certificates , Exchange of new Certificates in lieu of old certificates and all other related matters , monitors expedition redressal of investors grievances and all other matters related to shares .

Mr. Shri Hari Upadhyay is the Chairman of the Shareholders Grievances Cum Share Transfer Committee. Mr. Harpreet Singh Sethi and Mr. Arshdeep Singh Sethi are the Other Members of the Committee. All the complaints have been disposed off to the satisfaction of the shareholders. Moreover, all the valid requests for share transfer received during the year have been processed within 30 days by the company and no such transfer is pending as on 31.03.2008. MR Harpreet Singh Sethi, Whole time Director of the Company is the Compliance Officer of the company. Lekhraj & Associates, practicing Company Secretary during the year 2007-2008 have carried out quarterly Secretarial Audit.

6. General Body Meeting

Location and time of last three Annual General Meetings are as under:

Year	Place	Date	Time	No.of Resolution
2007	Vill & Post Kherki Daula, Dist. Gurgaon (Haryana)	30.09.2007	9.30 A.M.	2
2006	Vill & Post Kherki Daula, Dist. Gurgaon (Haryana)	30.09.2006	9.30 A.M	2
2005	Vill & Post Kherki Daula, Dist. Gurgaon (Haryana)	30.09.2005	9.30 A.M.	NIL

A) Whether Special Resolution were put through postal ballot last year ? No

B) Is Special Resolution put through Postal Ballot this year? No

7. Disclosures:

1. No transaction was entered by the Company with its promoters, the directors or The management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large.
2. There has not been any non-compliance by the Company and no penalties Or structures have been imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
3. Listing Fee of Mumbai Stock Exchange has been paid till the year 2007-2008.



8. MEANS OF COMMUNICATION

The Company is not sending half-yearly report to each household of shareholders. The quarterly, half yearly and annual results are generally published by the Company in MELLINIUM POST & MELLENIUM DARPAN Delhi. The Company does not have its own WEB Site. The Company does not display official news releases. The presentations to institutional investors or to the analysts is not applicable to the company. The Management Discussion and Analysis Report forms part of this report.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting to be held:

Date and Time : Tuesday the 30th September 2008 at 9.30 A.M.
Venue : Vill & Post Kherki Daula, Dist. Gurgaon (Haryana) 122001

10. Financial Calender 2007-2008 (tentative):

(Unaudited Financial Results)

Results for the quarter ending 30 th June 2008	31st July, 2008
Results for the quarter ending Sep.30, 2008	Last week of October, 2008
Results for the quarter ending Dec 31., 2008	Last week of January, 2009.
Results for the quarter ending March , 2009	Last week of April ,2009

Book Closure Date : 28th September, 2008 to 3rd October, 2008

Dividend Payment Date : No Dividend has been recommended by the Board of Directors of the Company during the year under review.

Listing on Stock Exchange:

The Company's share are listed on the Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street , Mumbai-400 001

Delisting Status

1. Delhi Stock Exchange Ass. Ltd :	Delisting Approval Awaited
2. The Stock Exchange , Chennai :	Do

Market Price Data: During the year under review the shares of the Company were not traded on any stock exchange.

Performance in Comparison to BSE Sensex, CRISIL index: Not Applicable

Registrar and share Transfer Agent :

Alankit Assignment Ltd.
RTA Division
Alankit Assignment Ltd.
Alankit House,
Jhandewalan Extension
New Delhi-110055.



Share Transfer System : Alankit Assignment Ltd is the Common Share Transfer Agent for effecting transfer of Shares in both physical and electronic modes. The transfer of shares are done through them.

Distribution of Shareholders as on 31.03.2008:

SHARES HOLDING OF NOMINAL VALUE OF	SHAREHOLDE OLDERS	SHARE AMOUNT	% TO TOTAL
RS	NUMBER	TO TOTAL(%)	IN RS
UPTO 5000	481	49.58763	1351000.00
5001 to 10,000	342	35.25773	3113000.00
10001 to 20,000	65	6.701031	1070000.00
20,001 to 30,000	25	2.57732	632000.00
30,001 to 40,000	12	1.237113	429000.00
40,001 to 50,000	9	0.927835	438000.00
50,001 to 1,00,000	26	2.680412	2123000.00
100001 & Above	10	1.030928	33060000.00
TOTAL	980	100.00	42216000.00

Dematerialization: The shares of the company are in compulsory de mat mode but only Central Depositories services Ltd (CDSL) has given the connectivity to the Company . The approval from the National Securities Depositories Ltd(NSDL) is still awaited. The physical and electronic share transfer take place at our share transfer agent.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments.: Not Applicable

Plant Location: VILLAGE & P.O. KHERKI DAULA , DISTT. GURGAON – HARYANA – 122001.

Address for Correspondence:

The Investors may address their Communication/ Grievances /queries/suggestions to:

Registered Office: VILLAGE & P.O. KHERKI DAULA ,DISTT. GURGAON –HARYANA – 122001.

Corporate Office 1307 - 1308, Vikrant Tower, Rajendra Place New Delhi, 110008

The above report was placed before the Board at its meeting held on 4th September, 2008 and the same was approved.



DIRECTORS' REPORT

Dear Members, Your Directors are submitting their 14th Annual Report alongwith Audited Statement of Accounts for the Financial Year ended 31st March, 2008.

1. FINANCIAL HIGHLIGHTS

	(Current Year)	(Rs. In lacs) (Previous Year)
NET SALES (Net of Returns)	328.47	187.69
PROFIT / (LOSS) FOR THE YEAR (BEFORE DEPRECIATION & INTEREST)	30.88	(-)9.29
PRIOR PERIOD ADJUSTMENT	17.41	(-)2.87
Waiver Of Interest	-	2131.85
INTEREST	10.75	19.69
DEPRECIATION	78.84	87.95
Impairment Loss	00.00	00.00
NET PROFIT / (LOSS) FOR THE YEAR (Includes prior period provisions of Liquidated damages & penal interest of IDBI)	(-)76.86	2016.93

2. OPERATIONS

During the year under review the company has achieved a turnover of Rs.328.47 Lacs, as compared to Rs 187.69 lacs of previous year. Although the sales are higher than the last year but still the profits margins remained under pressure .It was attributed to the number of factors like lack of working capital, the fierce competition with the unorganized sector, the slump in demand and recessional depressive economic conditions prevailing in the Market which have continued to bring the profit margin under pressure. In spite of the continuing recessionary conditions the Company is quite hopeful of making a turn around in a time to come.

3. INSURANCE

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

4. BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act ,1956 and the Articles Of Association of the Company Mr. Kamal Sanwal, Director who will be retiring by rotation, being eligible offers himself 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 14th Annual General Meeting .

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 Compaies 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 V.K. Dhingra & Co., Chartered Accountants, the Auditors of the Company 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 has written to the parties for confirmation of all debit and credit balances to ensure that all the confirmations be received on time.

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

The Company manufactures 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.3f (iii) of the Auditors report

The Company is continuously taking several measures for its revival ,including settlement of the dues to the secured creditors on OTS basis and continues to carry on its operations in the normal course . Further the accounts have been prepared to comply in all material aspects with applicable accounting principles, the accounting standards issued by the Institute of Chartered Accountant of India and the relevant provisions of the Companies Act, 1956. Though the company is a sick industrial company as per the (Sick Industrial (Special Provisions Act., 1985). The accounts have been prepared on the concept that the company will continue as a going concern.

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 Report.

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 : 4th September, 2008.

(HARPREET SINGH SETHI)
Chairman & Whole Time Director



ANNEXURE TO THE DIRECTORS' REPORT

Particulars as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2008

1. CONSERVATION OF ENERGY

The Company emphasizes optimization of energy consumption in every possible area in its units. Various avenues are explored at periodic intervals and after careful analysis, planning, measures are initiated to minimize the consumption of energy through the optimal utilization of energy consuming equipments. During the year under review the following measures were adopted for conservation and optimum utilization of energy :

- i) Preventive maintenance for machines to reduce frictional losses and thereby improving efficiency
- ii) Creating awareness amongst all workers/ staff members to make maximum use of natural light and sensible use electrical appliances like fans, airconditioners etc.
- iii) Reviewing on a periodic basis all the measures initiated /adopted for conservation of energy.
- iv) Reducing wastages of water by using better methods of distribution and use.
- v) Frequent cleaning of all lighting equipment's like bulbs, tubes etc.
- vi) Reducing wastage / spillage of fuel like diesel.

(b) Future proposal for energy conservation

The Company will take all necessary measures as may be required from time to time for conservation of energy.

© Impact of measures (a) & (b) above for reduction of energy consumption

The above measures will result in energy saving and consequent decrease in cost of production.

2. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

a) Research & Development

It has been the endeavor of the Company to respond to the needs of its customers in the market with concurrent commitment to improve quality and productivity. During the period under review, the company had undertaken the repairs of old mould and machinery. Thus, the Company has been able to save precious foreign exchange.

b) Technology Absorption

Efforts

- a) Continuous adaptation of advanced technology and technical know-how are being made for improving the quality of the product
- b) New systems were implemented for developing high quality soles.

Benefits

- a) Development of sophisticated products and new materials.
- b) Exposure to new techniques for production.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs.) Lacs

Particulars	Current Year	Previous Year
Foreign Exchange Earning	NIL	NIL
Foreign Exchange Outgo	NIL	1.21

For and on behalf of the Board

Place : New Delhi
Date : 4th September, 2008.

(HARPREET SINGH SETHI)
Chairman & Whole Time Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. Economic scenario and Business outlook.**

The year 2007-2008 was an eventful year both nationally and internationally. The Sub prime crisis, rise in the prices of oil, gold and commodities had a telling effect on the stock market and investors across the globe. The runaway inflation remained a major worry for the Governments worldwide. During 2007, the global economy expanded 4.9%. In India the Growth of the GDP was placed at 8% to 9% as per the estimates of the Central Government Statistical Data Depts. Notwithstanding the slower growth rate during 2007-08 in comparison to the year before, India continued to be the one of the fast growing economy in the world. The forecast for the year 2008-09 is that the Country's GDP growth rate will be in the range of 8-8.5%.

The Indian Shoe Industry is itself growing at a 15 to 20% annually. The growth rate is expected to double in the next couple of years. Our company is primarily involved in the business of manufacturing of PU and TPR Shoe Soles. Buoyant economy and increased demands has led to massive expansion and entry of new players catering to general needs of the customers. Encouraged by the demands and future prospects not only the existing players in the footwear industry expanded their capacity, but a host of new entities entered the market both in organised and unorganised sector. The company has state-of-art manufacturing facility to manufacture to quality PU and TPRs and bottles at its plants in Gurgaon and expertise to manufacture designs as per the requirements of ever-changing customers' demands, it could not fully exploit and utilise its capacity. Further, more and more emphasis/ focus is being given to exploit the inherent capabilities of the Company

2. Opportunities and threats

The Indian Shoe Manufacturing Industry is highly competitive both for PU & TPR. Your Company faces stiff competition both from the international as well as domestic manufacturers. The competition is increasing with the addition of new capacities and emergence of new global players especially from China, which could affect our market shares. Increased competition might lead price reduction of the Final products, decreased sales, lower profit margins thus adversely affecting the business and Financial conditions of the Company.

Despite growing competition which may cause downward pressure on prices and profit margins, the Company is expected to grow its sales and overall profits in future from its products and due to its excellent product quality, low cost of production, ability to offer competitive prices, aggressive marketing strategy and distribution network, innovative product structures for better suitability to its consumers in domestic market. The Company with its innovative skills and expertise and with the help of the state-of-art manufacturing facilities is well placed to produce and supply quality products of international standards to the optimum satisfaction of the customers. With high standard quality Shoe soles competitive prices, your Company expects much business opportunities in the years to come. Though the economy has started looking up but the footwear industry is yet to recover completely from the recessionary effects. Footwear industry in India is not going all out with their expansion and diversification plan, instead, there is a sign of restraints and wait. This trend and policy is not conducive and it does not augur well for the revival of the footwear Industry. The competition from the unorganised sector has also its adverse effect on the performance of the Company.

3. FUTURE OUTLOOK

The future of the industry looks bright, as the Government of India has several steps for developing this Industry. The Industry has sufficiently geared itself up for a considerable growth in production over next few years as the export demands escalates. The Shoe industry's future is very bright due to changing perceptions of the fashion & style. The Company is quite optimistic and buoyant about its performance and business opportunities in the years to come. The Steps initiated by the management have started yielding good results. This has also resulted in saving its cost of production and improvement in quality of products which in turn will add to the profitability of the company. Addition of new and latest series of moulds to the fullest satisfaction of the existing



and new customers with better and efficient means is the need of the day which the Company recognises and tries to adhere to. All these factors are expected to have positive impact on the performances of the company. Based on the above position the current outlook appears to be quite satisfactory.

4. INTERNAL CONTROLS AND SYSTEMS.

The Company ensures existence of adequate internal control through policies and procedures to be followed by the executives at various levels in the organization. While operating Managers ensure compliance within the areas, Internal Auditors carry out extensive checks and tests and report non-compliance / weak ness, if, any, through Internal Audit Report and on the respective areas. These reports along with the reports on the compliance made thereafter are reviewed by the Audit committee of the Board. The Committee regularly reviews and discussions with the Auditors and the management regarding issues in the Audit Report and financial matters. It reinforces the impact of the internal controls in the company.

5. COMPANY'S FINANCIAL PERFORMANCE & ANALYSIS

A. FIXED ASSETS

The composition of assets is as under:

Particulars	March,31,2008	(Rs in Lacs) March 31,2007
Land	21.12	21.12
Buildings	114.97	114.97
Plant & Machineries	1389.62	1397.30
Electrical Fittings & Installations	8.76	8.76
Office Equipments	14.07	13.31
Furniture & Fixtures	13.64	13.64
Vehicles	11.20	11.20
Software (Intangible Assets)	-	-
Total	1573.38	1580.30
Less Accumulated Depreciation	1006.87	930.05
Impairment	63.73	63.73
Add. CWIP		
Net Fixed Assets	502.78	577.52



B. Results Of Operations

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

Particulars	Year ended 31 March, 2008 Amount (Rs.)	(Rs. In Lakhs) Year Ended 31 March, 2007 Amount (Rs.)
INCOME		
Sales & Job work(Net)	305.72	232.94
Other Income	36.01	26.13
Increase/ (Decrease) in Finished goods & work in progress	1.03	(24.93)
Total Income	342.76	234.14
EXPENDITURE		
Material cost	202.19	135.71
Other Manufacturing Expences	-	-
Payment & Benefits to Employees	23.43	24.61
Administrative ,Selling & Other Expenses	86.26	83.11
OPERATIVE EXPENCES		
Expenses Allocated to self Constructed assets	-	-
EBIDT	30.88	(-)9.29
Less Depreciation	78.84	87.95
Interest & Financial Charges	10.75	19.69
Earning Before Tax	(-)58.71	(-)116.93

6. HUMAN RESOURCES DEVELOPMENT /INDUSTRIAL RELATIONS

The Company Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity / quality and accountability at all levels through company's training and upgradation of technical and management skills.

7. RISK MANAGEMENT.

Macro economic conditions do affect the performance of the Company. Low demand ,Political Instability, crop failures , natural calamities may affect the business. Business therefore cannot be risk free. What is therefore important is to correctly access the rist area wise and to mitigate the rist before it becomes potential threat . General risk areas are statutory compliances ,economy,financial ,governments regulations and policies ,market related ,operational, products and technology ,intellectual property etc.

8. ENVIORNMENT, OCCUPATIONAL HEALTH & SAFETY

Your Company is committed to conducting its operations with due regard to the environment and providing a safe and



healthy work place for employees. The collective endeavor of your company 's employees at all levels is directed towards sustaining and continuously improving standards of environment ,occupational health and safety in a bid to attain and exceed international benchmarks.

**AUDITORS' REPORT**

TO
THE MEMBERS

1. We have audited the attached Balance Sheet of **ANKA INDIA LIMITED**, as at 31st March, 2008 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above; we report that:
 - a) subject to our comments in paragraph 4(f)(i) and 4(f) (ii) below, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors of the Company as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us and subject to:
 - i) Note No. 3 of Schedule 'L' regarding non-confirmation / reconciliation of balances of debtors, creditors and other parties, the effect of which on accounts upon confirmations and reconciliation not ascertainable;
 - ii) Note No. 9(b) of Schedule 'L' regarding pendency of assessment of impairment loss, the effect of which on accounts of the Company upon assessment not ascertained;
 - iii) Note No. (15) of Schedule 'L' regarding the accounts of the Company prepared on going concern basis; 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 in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
- ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

for V.K.DHINGRA & CO.
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI.
DATED: SEPTEMBER 04, 2008

(V.K. DHINGRA)
PARTNER
M.No. : 14467



ANNEXURE TO THE AUDITORS REPORT

REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF ANKA INDIA LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2008

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, physical verification of major portion of 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 business. On the basis of explanations given to us, no discrepancies were noticed on the aforesaid verification.
- c) There was no substantial disposal of fixed assets during the year which may affect the going concern.
2. a) As per the information and explanation given to us, the inventories have been physically verified by the Management during the year. In our opinion, the frequency of physical verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are, reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the records of inventory and according to the information and explanations given to us, we are of the opinion that the Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3. (a) The Company has granted short term, interest free, unsecured loans during the year aggregating to Rs.413899/- to a company caused in the register maintained under section 301 of the Companies Act, 1956; and
- (b) In our opinion and to the best of our information and according to the explanation given to us terms and conditions of such interest free unsecured loans given are not prima facie prejudicial to the interest of the company; and
- (c) In our opinion and according to the information and explanations given to us, principal amount of loans have been received back regularly as stipulated. No interest was charged on these loans; and
- (d) These loans were fully repaid by the borrowers during the year;
- (e) The company has taken an interest free unsecured loan aggregating to 26,31,903/- from three parties covered in the register maintained u/s 301 of the Companies Act, 1956 during the year. Maximum amount due to these parties at any time during the year was Rs.59,17,199/- ; and
- (f) In our opinion and according to the information and explanations given to us the terms and conditions of interest free loans taken during the year were not prima facie prejudicial to the interest of the company; and
- (g) In our opinion and according to the information and explanations given to us the payment of principal amount were regular as stipulated.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control systems.



5. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) No transactions were 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 Rs.5,00,000/- or more in respect of each party.
6. The Company has not accepted any deposit from public during the year within the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder. As explained to us, no order was passed by the Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal in this regard.
7. The Company has an internal audit system which in our opinion needs to be further strengthened to make it commensurate with the size of the Company and the nature of its business
8. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the product of the Company.
9. a) According to the records of the Company and the information and explanations given to us, the Company has made delays on various occasions in depositing, with appropriate authorities, undisputed statutory dues including Investor Education & Protection Fund, Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Custom Duty, Cess and other statutory dues. The undisputed statutory dues outstanding as at 31st March, 2008 for a period exceeding a period of six months from the date they became payable are as follows:-

S. No.	Nature of Dues	Period of Default	Amount (Rs.)
1.	Custom Duty	Prior to 01.04.03	3,15,664.27
2.	Fees payable to the Registrar of Companies and Interest thereon.	Prior to 01.04.03	
		2003-2004	4,47,680.00
		2004-2005	62,400.00
		2005-2006	62,400.00
		2006-2007	62,400.00
		2007-2008	62,400.00
3.	Central Sales Tax	2005-2006	33,518.00
4.	Sale Tax	2006-2007	10,31,728.00
5.	Investor Education & Protection Fund (Interest Payble on unclaimed Public Deposit)	2007-2008	10,820.44

- b) According to the information and explanations given to us, the details of dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute are given below:-



Name of Statute	Nature of Dues	Financial year to which the matter pertains	Amount (Rs.)	Forum where dispute is pending
Central Excise Act	Penalty	1997-98	195497/-	Custom & Excise Service Tax Appallete Tribunal

10. The Company has accumulated losses exceeding fifty percent of the net worth of the Company and during the immediately preceding financial year. The Company has not incurred cash losses during the financial year covered by our audit.
11. According to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institution and bank. The company has not issued any debentures.
12. According to information and explanations given to us and based on the records produced to us, the Company has not granted loans and advances on the basis of securities by way of pledge of shares, securities, debentures and other investments.
13. In our opinion the Company is not a chit fund or Nidhi/mutual benefit fund/society.
14. In our opinion and according to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion and accordingly to the information and explanation given to us, the Company has not guaranteed any loan taken by others from banks and financial institutions.
16. In respect of term loans raised in the earlier years and current year we have been informed that the same were applied for the purpose for which they were obtained.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no fresh funds were raised during the year and no funds raised in earlier years on short term basis were used for long term investment.
18. According to the information and explanations give to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by a public issue during the year.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on/or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2008.

for V.K.DHINGRA & CO.
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI.
DATED: SEPTEMBER 04, 2008

(V.K. DHINGRA)
PARTNER
M.No. : 14467



BALANCE SHEET AS ON 31st MARCH, 2008

PARTICULARS	SCHEDULE	AS AT 31.03. 2008	AS AT 31.03.2007
SOURCES OF FUNDS			
1. SHARE HOLDER'S FUNDS			
(a) Share Capital	"A"	55,530,000.00	55,530,000.00
(b) Reserves & Surplus	"B"	<u>45,912,793.00</u>	<u>45,912,793.00</u>
		101,442,793.00	101,442,793.00
2. LOAN FUNDS			
(a) Secured Loans	"C"	19,611,483.10	23,268,076.97
(b) Unsecured Loans		<u>32,765,903.00</u>	<u>22,889,700.00</u>
		<u>52,377,386.10</u>	<u>46,157,776.97</u>
TOTAL		<u>153,820,179.10</u>	<u>147,600,569.97</u>
APPLICATION OF FUNDS			
1. FIXED ASSETS			
(a) Gross Block	"D"	157,338,426.99	158,030,453.40
(b) Less : Depreciation & Impairment		<u>107,060,270.11</u>	<u>100,277,661.69</u>
(c) Net Block		50,278,156.88	57,752,791.71
2. CURRENT ASSETS, LOANS AND ADVANCES			
Less : CURRENT LIABILITIES & PROVISIONS	"E"	14444495.29	12,926,026.79
		<u>(78254209.51)</u>	<u>(83,017,424.24)</u>
		(64083141.35)	(70,091,397.45)
3. PROFIT AND LOSS ACCOUNT			
(As per Annexed Account)		<u>167,625,163.57</u>	<u>159,939,175.71</u>
TOTAL		<u>153,820,179.10</u>	<u>147,600,569.97</u>
NOTES ON ACCOUNTS			
	"L"		

Schedule "A" to "F" and "L" annexed to form integral part of this Balance Sheet.

In terms of our attached report of even date
for V.K. DHINGRA & CO.
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED : SEPTEMBER 04, 2008.

(H.S. SETHI)
DIRECTOR

(A.S. SETHI)
JOINT MANAGING DIRECTOR

(V.K. DHINGRA)
PARTNER



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2006

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2008 Rs.	FOR THE YEAR ENDED 31.03.2007 Rs.
INCOME			
SALES(Inclusive of Excise Duty))		32,847,354.40	18,768,922.30
Less:- EXCISE DUTY		<u>2,578,837.00</u>	<u>2,551,079.50</u>
JOB WORK INCOME		3,03,400.00	7,075,987.00
OTHER INCOME	"G"	3,600,789.19	2,612,820.95
INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS & WORK-IN-PROGRESS	"H"	1,03,155.66	(24,92,578.31)
TOTAL		<u>34,275,862.27</u>	<u>23,414,072.44</u>
EXPENSES			
MATERIAL CONSUMED	"I"	20,219,438.63	13,571,486.57
OTHER EXPENSES	"J"	10,968,592.66	10,771,798.00
FINANCIAL CHARGES	"K"	1,075,438.29	1,969,044.41
DEPRECIATION		<u>7,883,591.86</u>	<u>8,795,269.37</u>
TOTAL		<u>40,147,061.44</u>	<u>35,107,598.35</u>
NET LOSS BEFORE TAX		(58,71,199.17)	(11,693,525.91)
ADD : PROVISION FOR FRINGE BENEFIT TAX		<u>73,463.35</u>	-
NET LOSS BEFORE PRIOR PERIOD		(59,44,662.52)	<u>86,160.00</u>
ADJUSTMENT & EXTRA ORDINARY ITEMS			(11,779,685.91)
PRIOR PERIOD ADJUSTMENT (NOTE '7' TO SCHEDULE 'L')		(17,41,325.34)	2,87,165.92
WAIVER OF INTEREST		<u>0.00</u>	<u>213,185,395.55</u>
NET LOSS AFTER PRIOR PERIOD ADJUSTMENT & EXTRA ORDINARY ITEMS		<u>76,85,987.86</u>	20,169,2875.56
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		(159,939,175.71)	(361,632,051.27)
TOTAL LOSS CARRIED OVER TO BALANCE SHEET		<u>(167,625,163.57)</u>	<u>(159,939,175.71)</u>
EARNING PER SHARE BEFORE EXTRAORDINARY ITEMS		(1.82)	(2.72)
EARNING PER SHARE AFTER EXTRAORDINARY ITEMS		(1.82)	47.78

NOTES TO ACCOUNTS "L"

Schedule "G" to "L" annexed to form integral part of this Profit & Loss Account

In terms of our attached report of even date
for V.K. DHINGRA & CO.
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED : SEPTEMBER 04, 2008.

(H.S. SETHI)
DIRECTOR

(A.S. SETHI)
JOINT MANAGING DIRECTOR

(V.K. DHINGRA)
PARTNER



SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	AS AT 31.03. 2008 Rs.	AS AT 31.03.2007 Rs.
SCHEDULE "A" - SHARE CAPITAL		
AUTHORISED		
12000000 Equity Shares of Rs. 10 Each	<u>120,000,000.00</u>	<u>120,000,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
4221600 Equity Shares of Rs. 10 Each	<u>42,216,000.00</u>	<u>92,216,000.00</u>
ADD: Shares Forfeited (Amount Paid up on 6662800 Equity Shares forfeited)	<u>13,314,000.00</u>	<u>8,314,000.00</u>
TOTAL	<u>55,530,000.00</u>	<u>55,530,000.00</u>
SCHEDULE "B" - RESERVES & SURPLUS		
(a) Share Premium Account		
-Balance as per Last Account	<u>10,00,000.00</u>	<u>10,00,000.00</u>
(b) Capital Reserve		
- Walver of long Term Loan	<u>44,912,793.00</u>	<u>44,912,793.00</u>
TOTAL	<u>45,912,793.00</u>	<u>45,912,793.00</u>
SCHEDULE "C" - LOAN FUNDS		
SECURED LOAN		
(a) Car Loan from ICICI Bank Ltd.	<u>3,28,599.78</u>	<u>5,12,131.65</u>
(b) Working Capital Loan from Oriental Bank of Commerce	<u>50,50,582.32</u>	<u>85,23,644.32</u>
(c) Term Loan From Darsh Polymers Pvt. Ltd.	<u>14,232,301.00</u>	<u>14,232,301.00</u>
TOTAL (A)	<u>19,611,483.10</u>	<u>23,268,076.97</u>
UNSECURED LOANS		
(a) From Directors	<u>15,812,102.00</u>	<u>14,646,000.00</u>
(b) From Others	<u>16,953,801.00</u>	<u>32,765,903.00</u>
TOTAL (B)	<u>32,765,903.00</u>	<u>82,43,700.00</u>
GRAND TOTAL (A+B)	<u>52,377,386.10</u>	<u>22889700.00</u>
GRAND TOTAL (A+B)	<u>52,377,386.10</u>	<u>46,157,776.97</u>

Notes :

1. Secured Loan from Darsh Polymers Pvt. Ltd. is secured by a first charge and mortgage of all immovable properties both present and future and first charge by way of hypothecation of movable assets (except book debts), subject to prior charge in favour of the Company's Bankers for working capital loans, and guaranteed by a Non executive Director, a Whole time Director and Joint Managing Director of the Company and further secured by way of pledge of 1709000 Equity Shares of promoter group. Darsh Polymers Pvt. Ltd. has an option to convert 50% of the amount of loan into equity, subject to the approval of the shareholders of Anka India Ltd. and in accordance with the prevalent norms, policies and statutory provisions.
2. Working Capital loan from Bank is secured by hypothecation of inventories and book debts and second charge on the fixed assets of the Company and guaranteed by a Director and Joint Managing Director of the Company.
3. Loan from ICICI Bank Ltd. is taken in the name of one of the directors of the Company and is secured by way of Hypothecation of the Vehicle against which loan has been taken. (Refer note no 16 of Schedule "L")

(H.S. SETHI)
DIRECTOR

(A.S. SETHI)
JOINT MANAGING DIRECTOR

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

SCHEDULE "D" - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				IMPAIRMENT	NET BLOCK	
	TOTAL AS	ADDITIONS	SALE/	TOTAL AS	UP TO	FOR THE	ADJUSTMENTS	UP TO		AS ON	AS ON
	ON 01.4.2007	DURING	ADJUSTMENT	ON 31.3.2008	31.03.2007	YEAR		31.03.2008		31.03.2008	31.03.2007
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
LAND	2111880.00	-	-	2111880.00	-	-	-	-		2111880.00	2111880.00
BUILDING	11497292.31	-	-	11497292.31	3617990.70	384009.56	-	4002000.26		7495292.05	7879301.61
PLANT & MACHINERY	139730207.49	1043923.00	1812198.41	138961931.83	87628534.05	7234254.29	1100983.44	93761804.90	6372912.01	38827214.92	45728761.18
ELECTRICAL EQUIPMENTS	875705.21	-	-	875705.21	379914.49	41118.11	-	421032.60		454672.61	495790.72
FURNITURE & FIXTURE	1364069.15	-	-	1364069.15	1016881.78	76067.21	-	1092948.99		271120.16	347187.37
OFFICE EQUIPMENT	1330889.49	76249.00	-	1407138.49	1092331.16	43778.54	-	1136109.70		271028.79	238558.33
VEHICLES	1120410.00	-	-	1120410.00	169097.50	104364.15	-	273461.65		846948.35	951312.50
TOTAL	158030453.40	1120172.00	1812198.41	157338426.99	93904749.68	7883591.86	1100983.44	100687358.10	6372912.01	50278156.88	57752791.71
PREVIOUS YEAR	159439183.45	359797.00	1768527.05	158030453.40	85985983.87	8795269.37	876503.56	93904749.68	6372912.01	57752791.71	67080287.57

* One Car costing Rs. 10,98,570/- is registered in the name of one of the directors of the company (Refer note no 16 in the Schedule - "L").

(H.S. SETHI)
DIRECTOR

(A.S. SETHI)
JOINT MANAGING DIRECTOR



SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	AS AT 31.03. 2008 Rs.	AS AT 31.03.2007 Rs.
SCHEDULE "E" - CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
(a) Stock in Trade (Taken, valued and certified by management)		
-Finished Goods	5,85,080.00	6,30,510.00
-Raw Material	7,76,555.96	5,75,346.96
-Goods in Transit/at port	5,04,641.72	504,641.72
-Work in progress	6,50,888.04	5,05,762.36
-Packing Material	<u>42,587.60</u>	<u>55,029.79</u>
	25,59,753.32	22,71,290.85
Less: Provision	<u>504,641.72</u>	<u>504,641.72</u>
	20,55,111.60	17,66,649.13
(b) Sundry Debtors (Unsecured considered good)		
-Debts outstanding for a period exceeding six months	2,810,108.84	45,60,616.82
-Other Debts	<u>64,45,432.77</u>	<u>35,71,873.24</u>
	92,555,41.61	81,32,490.06
c) Cash and Bank Balances		
- Cash in hand	13,573.36	25,935.86
- Balance with scheduled Banks		
-In Current Accounts	11691.34	15,626.34
-Fixed Deposits	<u>12,000.00</u>	<u>12,000.00</u>
(d) Interest accrued on Fixed Deposits	<u>1,149.97</u>	<u>-</u>
	<u>11,349,067.88</u>	<u>99,52,701.39</u>
LOAN AND ADVANCES (Unsecured considered good)		
(a) Advance recoverable in cash or in kind or for value to be received	22,97,309.41	20,17,192.30
(b) Security Deposits	6,23,288.00	5,54,606.00
(c) Advance Tax/TDS	<u>1,74,830.00</u>	<u>4,01,527.10</u>
	<u>30,95,427.41</u>	<u>29,73,325.40</u>
TOTAL	<u>14,444,495.29</u>	<u>12,926,026.79</u>
SCHEDULE "F" - CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
-Due to Micro & Small Enterprises	-	-
-Due to Others	<u>39,451,724.23</u>	<u>44,332,949.95</u>
Other Liabilities		
- Amount Due to Directors in Current Account	1,01,553.73	1,78,455.88
- Others	<u>98,34,951.21</u>	<u>98,63,291.93</u>
	99,36,504.94	10,041,747.81
Interest accrued but not due on Secured Loans		
Oriental Bank of Commerce	-	-
Investor Education & Protection Fund shall be credited by*	28,334,705.03	27,532,230.04
-Matured Unclaimed Public Deposits	-	73,000.00
-Interest Accrued on Above	<u>10,820.44</u>	<u>10,820.44</u>
	10,820.44	83,820.44
PROVISIONS		
For Gratuity	4,17,488.00	5,23,010.00
For Leave Encashment	<u>3,76,394.00</u>	<u>5,03,666.00</u>
	<u>7,93,882.00</u>	<u>10,26,676.00</u>
TOTAL	<u>78,527,636.64</u>	<u>83,017,424.24</u>

* Amount was due as on 31st March, 2008 for deposit in Investor Education and Protection Fund.

(H.S. SETHI)
DIRECTOR

(A.S. SETHI)
JOINT MANAGING DIRECTOR



SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2008

	CURRENT YEAR		PREVIOUS YEAR	
	Rs.		Rs.	
SCHEDULE "G" - OTHER INCOME				
Interest Earned (Gross)	25,655.97			24938.00
(TDS: Nil) (Previous Year:Rs.Nil)				
Scrap Sale	57,989.50			1,0,3297.00
Miscellaneous Income	31,955.00			405769.00
Insurance Claim Received	-			1,968,151.00
Unclaimed Liabilities Written Back	33,59,750.78			
Profit on Sale of Fixed Assets	125437.94			110,665.95
TOTAL	3600789.19			26,12,820.95
SCHEDULE "H" - INCREASE/DECREASE IN STOCKS OF FINISHED GOODS AND WORK IN PROGRESS				
CLOSING STOCK				
Finished Goods	5,85,080.00		6,30,510.00	
Work in progress	6,50,888.04	12,35,968.04	5,05,762.36	11,36,272.36
LESS: OPENING STOCK				
Finished Goods	6,30,510.00		29,42,976.14	
Work in progress	5,05,762.36	11,36,272.36	10,44,578.26	39,87,554.42
		99,695.68		(28,51,282.06)
		3460.00		3,58,703.75
		1,03,155.68		(24,92,578.31)
DECREASE/(INCREASE) IN EXCISE DUTY NET INCREASE / (DECREASE)				
SCHEDULE "I" - MATERIAL CONSUMED				
RAW MATERIAL CONSUMED				
Opening Stock	5,75,346.98			6,11,527.05
Purchase and Expenses during the year	20,420,647.61			13,535,306.50
	20,995,994.59			14,146,833.55
Less : Closing Stock	7,76,555.96			5,75,346.97
TOTAL	20,219,438.63			13,571,486.57
SCHEDULE "J" - OTHER EXPENSES				
Salaries, Wages and Other Amenities to Employees	21,36,606.00			2,271,430.00
Contribution to Provident Fund	1,98,666.00			1,81,590.00
ESI Contribution	8,249.00			8,160.00
Staff Welfare	52,108.00			85,232.00
Stores Consumed	3,1948.25			33,436.40
Power and Fuel	2,517,271.00			24,56,199.76
Travelling and Conveyance	1,08,866.60			3,54,289.60
Director's Remuneration	1,440,000.00			13,64,880.00
Audit Fees	85,000.00			85,000.00
Rent	9,78,851.16			7,59,90.00
Jobwork Expenses	3,01,402.00			3,23,974.00
Fee, Rates & Taxes	67,179.00			7,57,946.66
Postage, Telegram & Telephone Expenses	3,00,796.13			3,36,650.86
Insurance	66,214.00			57,150.00
Repair & Maintenance				
- Plant & Machinery	2,86,372.15			3,08,004.25
- Others	1,27,537.50			1,31,459.50
Miscellaneous Expenses	10,93,767.00			9,30,039.00
Selling & Distribution Expenses	9,57,500.17			9,08,334.18
Bad Debts written off	73,005.79			7,548.33
Loss on Fixed Assets Sold	1,37,252.91			94,483.44
TOTAL	10,968,592.66			10,771,798.00
SCHEDULE "K" - FINANCIAL CHARGES				
Interest and other charges paid to Banks & Financial Institutions	9,68,327.07			1881030.10
Interest to Others	1,07,111.22			88014.31
TOTAL	10,75,438.29			19,69,044.41

(H.S. SETHI)
DIRECTOR(A.S. SETHI)
JOINT MANAGING DIRECTOR



SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008.

SCHEDULE 'L' – NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) General

- i) The accounts are prepared on historical cost basis and as a going concern. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.
- ii) Income and Expenditure are accounted for on accrual basis.

b) Fixed Assets

Fixed assets are stated at cost of acquisition, including freight, duties and other incidental expenses related to acquisition and installation less depreciation.

Cost of fixed assets borne by other parties is reduced from the carrying value of the respective fixed assets.

c) Inventories

Inventories are valued at lower of cost or net realisable value. Cost is arrived on FIFO basis and is inclusive of taxes and duties paid/incurred (other than those recovered /recoverable from taxing authorities). Adequate provision is made in respect of non-standard and obsolete items.

d) Impairment of Assets

The Company identifies impairable assets at the year end in accordance with the guiding principles of Accounting Standard 28, issued by the Institute of chartered accountants of india, for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallizes, are charged against revenues for the year.

e) Foreign Currency Translation

Current Assets and Current Liabilities receivable/payable in foreign currency are converted into rupee value at the exchange rates, prevailing at the year end. The gain or loss due to such conversion is credited/charged to Profit and Loss Account.

f) Depreciation

Depreciation has been provided on Straight Line Method at the rates prescribed under the Schedule-XIV of the Companies Act, 1956 on pro-rata basis.

g) Sales

Sales are accounted on dispatch of product and stated net of discounts, returns and sales tax.

h) Excise Duty

Excise Duty Payable on finished goods lying in the factory at the year end is provided. The same being an element of cost of manufacturing is included in the inventory of finished goods.

i) Retirement and Other Employee Benefits

a) Defined Contribution Plan

The Company makes defined contribution to Provident Fund which are recognized in the Profit and Loss Account on accrual basis. The Company's contribution to State Plan, viz. Employees' State Insurance scheme is recognized in the Profit & Loss Account on accrual basis.

b) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act and compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognized immediately in the Profit and Loss Account as income/expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds.

c) Short Term Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and charged to the Profit & Loss Account on accrual basis.



2. CONTINGENT LIABILITIES

	Current year Rs.	Previous year Rs.
a) Bank Guarantee issued on behalf of the Company	100000.00	100000.00
b) Contracts remaining to be executed on capital account, not provided for	NIL	NIL
c) Other amounts for which the Company is contingently liable		
Disputed Demand from Central Excise Deptt.	195497.00	195497.00
Disputed Demand under Land Reform Act.	190000.00	190000.00

3. Balances standing to the debit and credit of the debtors, creditors, and other parties are subject to confirmation/reconciliation. Consequent impact on accounts upon confirmation/reconciliation is not ascertainable in the present circumstances.

4. Interest accrued on unclaimed public deposits amounting to Rs. 10820.44 is unpaid from more than seven years.

5. In the opinion of the Board, the value on realisation of current assets, loans & advances in the ordinary course of business shall not be less than the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made and contingent liabilities have been disclosed properly.

6. a) Directors have waived off their right to sitting fee in respect of meetings of Board of Directors attended by them.
b) Remuneration has been paid to the Joint Managing Director and a Whole Time Director as a minimum remuneration in accordance with the limits prescribed in Schedule-XIII of the Companies Act, 1956 and resolution passed by the members in the General Meeting as per details given hereunder :-

Salary & Allowances	:-	Rs. 14,40,000/- (Previous Year: Rs.13,64,880/-)
Contribution to PF and other Funds	:-	Rs.86400/- (Previous Year: Rs.75120/-)

7. Prior Period Adjustment includes:-

Particulars of Expenses/Income	Current Year		Previous Year	
	Debit Rs.	Credit Rs.	Debit Rs.	Credit Rs.
Purchases	-	-	208587.00	-
Repair & Maintenance	-	-	232.00	-
Misc. Expenses	1820.00	-	2595.00	-
Sales Return	700126.91	-	-	-
Design & Development Charges	1209739.70	-	-	-
Freight Outward	3854.00	-	23580.00	-
Traveling	1375.00	-	-	-
Legal & Professional Charges	14700.00	-	51800.00	-
Rebate & Discount	-	-	290223.81	-
Staff Welfare Exp.	-	-	2402.00	-
Business Promotion	2333.00	-	-	-
Rent	-	-	75572.84	-
Postage, Telegram & Telephone	2197.00	-	3204.00	-
Sales Tax	33799.00	-	-	916075.57
Interest on I.T. Refund	-	-	-	29287.00
F.B.T.	6118.73	-	-	-
Gratuity & Leave Encashment	-	234738.00	-	-
TOTAL	1976063.34	234738.00	658196.65	945362.57
NET DEBIT/(CREDIT)	1741325.34	-	-	(287165.20)

8. The company has unabsorbed depreciation and carry forward losses under tax laws. In the absence of virtual certainty of sufficient future taxable income, net deferred tax asset has not been recognised on prudent basis in accordance with the Accounting Standard - 22 on "Accounting for Taxes on Income" Issued by the Institute of Chartered Accountants of India.
9. a) The company has assessed the loss on impairment of some of its assets in terms of AS-28 issued by the Institute of



Chartered Accountants of India. Impairment loss, being the difference between the book value and recoverable value of relevant assets, was arrived as on April 1, 2004 and was charged to Profit and Loss Account for the year 2004-05. No further provision for impairment was required on those assets during the year.

b) In respect of other assets having W.D.V. of Rs. 388.27 lacs (Previous Year Rs.457.29 lacs) as on 31.03.08 the assessment is in progress. However, in the opinion of management no material impairment was there in those assets.

10 The Company being engaged only in the business of manufacture/job-work of Shoes -Soles, separate segment reporting, in terms of Accounting Standard AS-17 on "Segment Reporting" issued by the Institute of Chartered Accountant of India, is not required.

11. RELATED PARTY DISCLOSURE :

Related party disclosure in accordance with the Accounting Standard (AS-18) on 'Related Party Disclosure' issued by the Institute of Chartered Accountant of India are as under:

i) Related Parties :

KEY MANAGEMENT PERSONNEL :

Mr. A.S. Sethi - Joint Managing Director
Mr. H.S. Sethi - Wholetime Director and Brother of Joint Managing Director

RELATIVES :

Mrs. Paramjeet Kaur Sethi - Mother of Joint Managing Director
Mrs. Gurpreet Kaur Sethi - Wife of Mr. H.S. Sethi
Mrs. Pooja Sethi - Wife of Mr. A.S. Sethi
Mr. Dildeep Singh Sethi - Brother of Joint Managing Director

ENTERPRISES OVER WHICH ABOVE PERSON CAN EXERCISE SIGNIFICANT CONTROL

Jauss Polymers Ltd.
Darsh Polymers Pvt. Ltd.
DTG India Pvt. Ltd.

Note:- Related parties and their relationship are as identified by the management and relied upon by the auditors.

ii) Summary of Transactions with related parties:

NATURE OF TRANSACTIONS	KEY MANAGEMENT PERSONNEL (Rs.)	RELATIVES (Rs.)	ENTERPRISES OVER WHICH ABOVE PERSON CAN EXERCISE SIGNIFICANT CONTROL (Rs.)	TOTAL (Rs.)
Director Remuneration	15,26,400.00 (14,40,000.00)	- (-)	- (-)	1526400.00 (1440000.00)
Salaries / Wages & Other amenities to staff	- (-)	960480.00 (768960.00)	- (-)	960480.00 (768960.00)
Fixed Assets Sold	- (-)	- (-)	380000.00 (-)	380000.00 (-)
Fixed Assets Purchased	- (-)	- (-)	200000.00 (-)	200000.00 (-)
Loans Given/ (Repaid) (Net)	- (-)	- (200000.00)	- (110000.00)	- (310000.00)
Loans Taken/(Repaid) (Net)	17,21,802.00 (6,11,100.00)	- (1923000.00)	910101.00 (18137301.00)	2631903.00 (20671401.00)
Security Deposit Received (Net)	- (-)	- (100000.00)	- (-)	- (100000.00)
Balance at the end of the year	-	-	173940.00	173940.00
-Amounts Receivable	- 3570655.73	- 12443000.00	- (-)	- 32944757.73
-Amounts Payable	(2465625.88)	(12443000.00)	16931102.00 (14232301.00)	(29140926.88) -



Note: Figures in bracket represent previous year's figures.

iii) **Disclosure in respect of material transactions with related parties.**

Director's Remuneration		
- Mr. A.S. Sethi	: Rs. 763200/-	(Rs. 720000/-)
- Mr. H.S. Sethi	: Rs. 763200/-	(Rs. 720000/-)
Salaries/Wages & Other Amenities to Staff		
- Mrs. Gurpreet Kaur Sethi	: Rs. 480240/-	(Rs. 354480/-)
- Mrs. Pooja Sethi	: Rs. 480240/-	(Rs. 354480/-)
Fixed Assets Sold		
- Jauss Polymers Ltd.	: Rs. 38,000/-	(NIL)
Fixed Assets Purchase		
- Jauss Polymers Ltd.	: Rs. 20,000/-	(NIL)
Loans Taken/(Repaid) (Net)		
- Darsh Polymers (P) Ltd.	: Rs. 910101/-	(Rs. 18137301)
- Mrs Paramjeet Kaur Sethi	: Rs. -	(Rs. 1923000/-)
- Mr. A.S. Sethi	: Rs. 18103/-	(Rs. 305100/-)
- Mr. H.S. Sethi	: Rs. 1703699/-	(Rs. 306000/-)

12. EARNING PER SHARE :

In accordance with Accounting Standard – 20 on 'Earning Per Share' issued by the Institute of Chartered Accountant of India, the earning per share has been computed as under:

		Year 2007 – 2008	Year 2006 – 2007
a) Net Profit / (Loss) for the Year. (After Prior Period Adjustment but before Extra ordinary items)	(Rs.)	(7685987.86)	(11492519.99)
a) Net Profit / (Loss) for the Year. (After Prior Period Adjustment and Extra ordinary items)	(Rs.)	(7685987.86)	201692875.56
b) Number of Equity Shares*	(Nos)	4221600	4221600
c) Nominal value per Equity Shares	(Rs.)	10.00	10.00
d) Earning Per Share (Basic & Diluted)			
Before Extra ordinary items	(Rs.)	(1.82)	(2.72)
After Extra ordinary items	(Rs.)	(1.82)	47.78

* There were no potential equity shares and there was no change in share capital during the year.

13. Additional information pursuant to the provisions of Paragraph 3 and 4 of part-II of Schedule VI to the Companies Act, 1956.

	Current year Rs.	Previous year Rs.
a) CIF value of Imports		
- Capital Goods	NIL	NIL
- Raw Material	NIL	NIL
b) FOB Value of Export	NIL	NIL
c) Expenditure in Foreign Currency	NIL	NIL
- Travelling Expenses	NIL	121187.00
d) Details of Installed Capacity and Actual Production :		
Class of Goods	Installed * Capacity (Pcs. In Pairs)	Actual Production (PCS. In Pairs) Current Year Previous Year
Shoe Soles-PU #	22,00,000	394141.00 289500.00
Shoe Soles-TPR ##	10,50,000	80170.00 128338.00
	<u>32,50,000</u>	<u>474311.00</u> <u>417838.00</u>

* As certified by the Management but not verified by the auditors being a technical matter.

Including Shoe Sole P.U. 12136 (Previous Year:98167) pairs manufactured on Job Work basis.

Including Shoe Soles-TPR NIL (Previous Year:95900) pairs manufactured on job work basis.



e) Particulars of Sales:-

	Current Year		Previous Year	
	Quantity (Pcs. In Pairs)	Value (Rs.)	Quantity (Pcs. In Pairs)	Value (Rs.)
Shoe-Soles				
-PU	3,84,103.50	27,244,394.11	2,00,919.00	16,311,845.60
-TPR	80,170.00	56,02,960.29	3,27,57.00	24,57,076.70
(Quantities include free of cost samples)				
TOTAL		32,847,354.40		18,768,922.30

f) Particulars of Opening and Closing Stock

	Current Year		Previous Year	
	Quantity (Pcs. In Pairs)	Value (Rs.)	Quantity (Pcs. In Pairs)	Value (Rs.)
Shoe-Soles-PU				
-Opening Stock	29125.50	630510.00	38711.50	2919707.96
-Closing Stock	27027.00	585080.00	29125.50	630510.00
Shoe Soles - TPR				
-Opening Stock	-	-	319.00	23268.18
-Closing Stock	-	-	-	-

g) Raw Material Consumed

	Current Year		Previous Year	
	Quantity (Kgs.)	Value* (Rs.)	Quantity (Kgs.)	Value* (Rs.)
PU	112648.94	14397965.88	86781.65	9959420.57
TPR	28850.00	2674218.95	19140.97	1248438.00
Others*	-	3147253.80	-	2363628.00
TOTAL		20219438.63		13571486.57

* In view of large number of items having different units of measurement quantities of other material not given.

h) Consumption of Raw Material

	Current Year		Previous Year	
	%	Value (Rs.)	%	Value (Rs.)
Indigenous	100%	20219438.63	100%	13571486.57
Imported	-	-	-	-
TOTAL	100%	20219438.63	100%	13571486.57

i) Consumption of Stores

	Current Year		Previous Year	
	%	Value (Rs.)	%	Value (Rs.)
Indigenous	100%	31948.25	100%	33436.40
Imported	-	-	-	-
TOTAL	100%	31948.25	100%	33436.40


14. AMOUNT PAID/PAYABLE TO AUDITORS (including Service Tax)

	Current Year (Rs.)	Previous Year (Rs.)
a) Audit Fee	85000.00	85000.00
b) Tax Audit Fee	15000.00	15000.00
c) Taxation Matters	51900.00	19400.00
d) Service Tax on above	13831.00	12880.00

15. Net Worth of the Company is in negative and the Company has no intention to discontinue its operations. Therefore, these accounts have been prepared on 'Going Concern Basis'.
16. Company, being unable to raise funds to purchase a car for official use, has purchased one Car for Rs.1098570/-during the F.Y. 2005-2006 in the name of one of its directors and taken the car loan from ICICI Bank Ltd. in the name of that director. Cost of car has been included in the Fixed Assets and outstanding loan account has also been included in Secured Loans in the Company's balance sheet.
17. The company has made a settlement with Oriental Bank of Commerce in the previous year whereby the bank has ating agreed to waive the interest dues aggregating to Rs. 2.47 Crores upon fulfillment of certain conditions. Till the fulfillment of such conditions this amount has been shown as 'Interest Accrued But Not Due' in Schedule-F along with interest accrued on settled amount aggregating to Rs. 0.36 Crore (Previous Year : Rs. 0.28 Crore) for the period from the date of settlements upto 31st March, 2008.
18. Unclaimed liabilities aggregating of Rs.33,59,750.78 (Previous Year: NIL) of various creditors which in the opinion of the directors are no more payable have been written back during the year.
19. **EMPLOYEES BENEFITS**

As per Accounting Standard 15 "Employee Benefits", the require disclosures of Employee Benefits to the extent applicable to the company are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	(Amount in Rupees)
Employer's Contribution to Provident Fund	1,98,666.00
Employer's Contribution to Employees State Insurance Scheme	8,249.00

Defined Benefit Plan

The present value of obligation for gratuity and compensated absences is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Reconciliation of opening and closing balances of Defined Benefit obligation

	(Amount in Rupees)	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Defined Benefit obligation at beginning of the year	3,64,809.00	3,42,585.00
Current Service Cost	51,710.00	49,821.00
Interest Cost	28,619.00	26,438.00
Actuarial (gain)/loss	(13,515.00)	(18,224.00)
Benefits paid	(14,135.00)	(24,226.00)
Defined Benefit obligation at year end	4,17,488.00	3,76,394.00


II. Reconciliation of fair value of assets and obligations

(Amount in Rupees)

	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Fair value of plan assets	NIL	NIL
Present value of obligation	4,17,488.00	3,76,394.00
Amount recognized in Balance Sheet	4,17,488.00	3,76,394.00

III. Expense recognized during the year (Under the head "Salary, Wages and Other Amenities to Staff – Refer Schedule 'J')

(Amount in Rupees)

	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Current Service Cost	51,710.00	49,821.00
Interest Cost	28,619.00	26,438.00
Actuarial (Gain)/Loss	(13,515.00)	(18,224.00)
Net Cost	66,814.00	58,035.00

IV. Actuarial assumptions

	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Mortality Table	LIC/1994-96 Ultimate	LIC/1994-96 Ultimate
Discount rate (per annum)	8%	8%
Rate of escalation in salary (per annum)	5%	5%

The estimates of rate of escalation in salary as considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in employment market. The above information is certified by the actuary.

The impact on the liabilities as on April 01, 2007 as a result of adoption of revised Accounting Standard-15 amounting to Rs. 76, 537/- on account of leave encashment and Rs. 1,58, 201/- on account of gratuity is included in prior period adjustments (Refer Note No. 7)

Previous year's figures are not given, as these disclosure requirements were made applicable w.e.f. 2007-2008 only.

20. The company has requested its suppliers to intimate whether they are registered under "The Micro, Small and Medium Enterprises Development Act 2006", No supplier has intimated to the company that they are registered under the said Act.

21. Previous year's figures have been reclassified/rearranged wherever considered necessary to conform to this year's classification.

Signatures to Schedules 'A' to 'L'

for V.K. DHINGRA & CO.
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED : SEPTEMBER 04, 2008,

(H.S. SETHI)
DIRECTOR

(A.S. SETHI)
JOINT MANAGING DIRECTOR

(V.K. DHINGRA)
PARTNER



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2008

PARTICULARS	AMOUNT (Rs.) 2007-2008	AMOUNT (Rs.) 2006-2007
A. Cash Flow from Operations		
Extra Ordinary items		
Net profit / (Loss)	(7685987.86)	(11492519.99)
i Depreciation	7883591.86	8795269.37
ii Financial Charges	1075438.29	1969044.41
iii Loss on sale of Fixed Assets	137252.91	94483.44
iv Profit on sale of Fixed Assets	(125437.94)	(110665.95)
v Provision for FBT	73463.35	86160.00
	<u>1358320.61</u>	<u>(658228.72)</u>
Less : Interest Income	<u>25655.97</u>	<u>24938.00</u>
CASH FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES	1332664.64	(683166.72)
Capital Changes		
I Inventories	(288462.47)	2889558.56
ii Trade & Other Receivables	(1471850.66)	559361.12
iii Trade Payable & other Liabilities	(5581231.07)	(2429245.45)
Cash Generated from Operations	(6008879.56)	336507.51
Less: Direct Taxes (Net)	<u>179375.10</u>	<u>5266.00</u>
Net Cash from Operating Activities	(5829504.46)	341773.51
B. Cash Flow from Investing Activities		
i Purchase of Fixed assests/ Capital Advances Given / (Refunded)	(1120172.00)	(359797.00)
ii Interest Received	24506.00	26156.00
iii Sale of Fixed assets	<u>699400.00</u>	<u>908206.00</u>
Net Cash Flow from Investing Activities	(396266.00)	574565.00
C. Cash Flow from Financing Activities		
I Repayment of Secured Loan	(183531.87)	(5194644.60)
ii Repayment of Working Capital Loan from Bank	(3183062.00)	(3433893.00)
iii Unsecured Loans Taken/ Repaid(Net)	9876203.00	7322800.00
iv Interest Paid	<u>(283563.30)</u>	<u>(692457.01)</u>
Net Cash from / (Used In) Financing activities	6226045.83	(1998194.61)
Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	275.37	(1081856.10)
Cash & Cash equivalents as at 01.04.2007	53562.20	1135418.30
Cash & Cash equivalents as at 31.03.2008	53837.57	53562.20

Figures in bracket represents cash outflow

In terms of our attached report of even date
for V.K. DHINGRA & CO.
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATE : SEPTEMBER 04, 2008

(H.S. SETHI)
DIRECTOR

(A.S. SETHI)
JOINT MANAGING DIRECTOR

(V.K. DHINGRA)
PARTNER

ANKA INDIA LIMITED

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ANKA INDIA LIMITED

Registered Office : VILLAGE & P.O. KHERKI DAULA, DISTT. GURGAON, HARYANA-122 001

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholder may obtain additional Attendance Slip on request.

Name and address of the shareholders _____

Master Folio No. _____

No. of Shares held: _____

I hereby record my presence at the 13th Annual General Meeting of the Company held on saturday the 30th september, 2008 at 9.30 A.M at VILLAGE & P.O. KHERKI DAULA, DISST. GURGAON, HARYANA - 122001

*Strike out whichever is not applicable

Signature of the shareholder or Proxy

ANKA INDIA LIMITED

Registered Office : VILLAGE & P.O. KHERKI DAULA, DISTT. GURGAON, HARYANA-122 001

PROXY FORM

Master Folio No. _____

I/WE _____

of _____ being a Member/Members

of ANKA INDIA LIMITED hereby appoint _____ of

_____ or

failing him _____

of _____

as my/our proxy to vote for me/us and on my/our behalf at the 14th Annual General Meeting of the Company to be held on saturday the 30th september, 2008 at 9.30 and at any adjourment thereof.

Signed this _____ day of _____ 2008 the said _____

Affix 1
Rupee
Revenue
Stamp

Note: The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

BOOK POST

ANKA INDIA LTD.

Registered Office :
*VILLAGE & P.O. KHERKI DAULA,
DISTT. GURGAON, HARYANA-122 001*