

GUJARAT GUARANTY & FINANCIALS LTD.

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~~A N N U A L~~
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NOTICE

NOTICE is hereby given that the **Twelfth Annual General Meeting** of the Shareholders of **Gujarat Guaranty And Financials Limited** will be held at **27, Mahavir Jain Society, Nr. Amber Cinema, Bapunagar, Ahmedabad 380 024**, on Thursday 30th August, 2001 at 10.00 a.m. to transact following business :

ORDINARY BUSINESS

01. To receive, consider and adopt the Balance Sheet of the Company as on 31st March, 2001 and Profit and Loss Account for the year ended on that date together with the report of the Auditors and Directors thereon.
02. To appoint a Director in place of Shri Raj Ratan Singhvi who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

04. To consider, and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

RESOLVED THAT Mr. Arun Datre who was appointed as an Additional Director of the company and holds office upto the date of this meeting as per the provisions of section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company.

05. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

RESOLVED THAT Mr. Prakash Choukse who was appointed as an Additional Director of the company and holds office upto the date of this meeting as per the provisions of section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company.

06. To consider and if though fit to pass, with or without modification following Resolution as SPECIAL RESOLUTION :

RESOLVED that Pursuant to the Provisions of Section 31 and all other applicable provisions if any of the Companies Act, 1956 the present Articles of Association of the Company be and are hereby altered/amended/modified in the manner and to the extent as set out below :

- i) The existing Article No. 2 Titled "Interpretation Clause" be amended by insertion of following new definitions :

Beneficial Owner :

Any holder of the Shares who holds the Shares for the benefit of others or on behalf of others and includes the Depository who holds the shares in the dematerialised form.

Depository :

A Depository means and includes any person/ company/body corporate registered as depository with SEBI or any other government Agency as per

the provisions of the Depositories Act, & Regulation for the time being in force.

Member :

The existing definition of member be substituted by the following new definition :

"Member" means the duly registered holder from time to time of the shares of the Company and also includes the subscribers of the Memorandum of Association of the Company and includes holders of Securities for the time being in force registered with Depository.

- ii) The following new Article 7A and 7B be inserted after the existing Article 7 but before Article No. 8 :

ARTICLE NO. 7A : BUY BACK OF SHARES

The Company may Purchase its own Shares or other Specified Securities subject to and in accordance with the provisions of Section 77 A of the Companies Act, 1956 and or any regulations or procedure made by the Securities And Exchange Board of India or Government of India in this behalf and in accordance with any other guidelines as may be prescribed for the time being in force.

ARTICLE NO. 7 B :ISSUE OF SWEAT EQUITY

The Company may issue any shares as sweat Equity Shares of a class of the Shares already issued subject to the guidelines as prescribed by the Securities And Exchange Board of India or Government of India in this behalf for the time being in force.

- iii) The following new Articles 16A, 16B, 16C, with marginal notes as indicated, be inserted after Article 16 and before Article No. 17.

ARTICLE NO. 16 A : MEANING OF DEPOSITORY OF SHARES AND SECURITIES.

For the purpose of Articles 16B and 16C appearing hereunder

- (a) The Depositories Act shall mean Depositories Act, 1996, and includes any statutory modifications or re-enactment thereof for the time being in force.
- (b) Depository shall have the meaning assigned thereto by The Depositories Act.

ARTICLE NO. 16B : POWERS OF THE COMPANY TO DEMATERIALISE OR REMATERIALISE THE CERTIFICATES OF ANY HOLDERS OF SHARES, DEBENTURES OR ANY SECURITIES WITH THE DEPOSITORIES.

Notwithstanding anything contained in these Articles, the company shall have powers to dematerialise its shares, debentures and other securities, to rematerialise the same and to offer and issue new shares, debentures or other securities in a dematerialised form in accordance with the provisions of the Depositories Act. The rights and obligations of

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the concerned parties in respect of the shares, debentures and other securities in the dematerialised form, and all matters connected therewith and/or incidental thereto shall be governed by the provisions of the Depositories Act and the relevant provisions of the act.

ARTICLE NO. 16 C : HOLDING OF SECURITIES IN DEMATERIALISED FORM WITH DEPOSITORIES AND THE BENEFICIAL OWNER RECORDED WITH DEPOSITORIES RIGHTS.

Every person subscribing to or holding shares, debentures and other securities of the Company shall have the option to receive certificates therefore or to hold the same with a Depository in dematerialised form. A Beneficial owner, i.e. a person whose name is recorded as such in a Depository in respect of the securities, can at any time out of the Depository, if permitted bylaw, and in such a case the Company shall, in the manner and within the time as prescribed, issue the required certificates in respect of the subject securities to the beneficial owner".

- iv) The Article No. 42 Title to Shares of Deceased Members' with the marginal notes as indicated be modified/amended by insertion of the following proviso :

Provided that notwithstanding anything contained in these Articles, every holder of shares in or debentures of the company may, at any time, nominate, in the prescribed manner any person to whom his shares or debentures shall vest in the event of his death, and the provisions of Sections 109A and 109B of the Act shall apply in respect of such nomination."

- v) Following new Article be inserted as Article No. 137A & 137B After the existing Article No. 137 and before the Article No. 138.

ARTICLE NO. 137A : PAYMENT OF DIVIDEND THROUGH ELECTRONICS CLEARING SYSTEM. (ECS PAYMENT).

The Company may make payment of any Dividend directly into the credit of savings/ Current or other Accounts of the Shareholders to their Bankers through an Electronics Clearing System as per the instructions given by the respective shareholders to the company. In such cases the Company will issue a Payment instruction advice to the Shareholders at their registered addresses. Such payment of Dividend made through ECS be deemed to be made and paid as per the provisions of the Companies Act, 1956.

The Article No. 137B : Unclaimed / Unpaid Dividend : Any money transferred to Unpaid Dividend Account shall be governed by the Provisions of the Section 205 B & 205 C of the Companies Act, 1956 and any other applicable provisions made by the specified authority for the time being in force and from time to time.

- vi) The Article No. 141 Titled "Books of Accounts to be kept" with the marginal notes as indicated be modified

/ amended by insertion of the following proviso "Provided that the Company shall comply with Section 210A, 211(3A), 211(3B), and 211(3C) of the companies Act, 1956 and the Profit and Loss Account and Balance Sheet of the Company shall comply with the accounting standards as recommended by the Institute of Chartered Accountants of India and any other by the Institute of Chartered Accountants of India and any other specified authority for the time being in force from time to time.

RESOLVED ALSO THAT the Board of Directors of the Company be and are hereby authorised to modify, alter, amend the existing Articles of Association of the Company after completion of the due legal procedure.

07. To consider and if though fit to pass, with or without modification following Resolution as SPECIAL RESOLUTION :

"RESOLVED THAT subject to the approval of the Central government pursuant to section 21 of the Companies Act, 1956, the name of the company be changed from **GUJARAT GUARANTY & FINANCIALS LTD. TO ANJANI FINANCE LTD.** and that the name of GUJARAT GUARANTY & FINANCIALS LTD. where it appears in Memorandum, Articles, Documents, Contracts, etc. be substituted by new name ANJANI FINANCE LTD. in due course".

08. To consider and if though fit to pass, with or without modification following Resolution as SPECIAL RESOLUTION :

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, 349, 350 and all other applicable provisions if any of the Companies act, 1956 Mr. Arun Datre a Director of the company be and is hereby appointed as Managing Director of the company for a period of One year on and from 01.06.2001 at a monthly remuneration of Rs. 8,500/- (Rupees Eight Thousand Five Hundred Only).

09. To consider and if though fit to pass, with or without modification following Resolution as SPECIAL RESOLUTION :

RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956 the Company hereby approves that the register of members, indexes, returns and copies of certificates and documents instead of being kept at the Registered Office of the Company at 27, Mahavir Jain Society, Nr. Amber Cinema, Bapunagar, Ahmedabad 380 024. be kept at the Company's Corporate/Branch Office at 144, Bajrang Nagar, Indore (MP). where the necessary register, indexes, returns as mentioned above shall remain open during business hours of the Company from 10.30 a.m. to 5.30 p.m., except Saturdays.

for and on behalf of the Board of Directors

Date : 30.06.2001
Place : Ahmedabad

(Raj Ratan Singhvi)
Director

Regd. Office : 27, Mahavir Jain Society,
Nr. Amber Cinema, Bapunagar, Ahmedabad 380 024.

GUJARAT GUARANTY & FINANCIALS LTD**Notes :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective should be lodged with the Company at the registered Office of the Company atleast 48 hours before the commencement of the meeting.
3. The Register of Members and Transfer Books of the Company shall remain closed from 23.08.2001 to 30.08.2001 (both days inclusive). During this period the transfer of Shares shall remain suspended.
4. Members desiring any information on the accounts at the Annual general Meeting are requested to write to the Company at least 7 (Seven) days in advance, so as to enable the Company to keep the information ready.
5. As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.
6. Members are requested to intimate any change of address to the Company's Registered Office quoting their Ledger Folio reference.
7. The relative explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item no. 4 to 9 of special business of the notice is annexed hereto.

EXPLANATORY STATEMENT**(Pursuant to Section 173 (2) of the Companies Act, 1956)****ORDINARY RESOLUTION-ITEM NO. 4 & 5 of Special Business.**

Mr. Arun Datre and Mr. Prakash Choukse who were appointed as Additional Directors of the Company by the Board of directors. Pursuant to provisions of section 260 of the Companies Act, 1956 they hold office upto the date of the ensuing Annual General Meeting. their services to the Company as Additional Directors had been quite useful. The Directors recommend the resolution for their appointment as Director.

Special Notice in terms of Sec. 257 of the Act, along with deposit of Rs. 500/- in Case each for the candidature of Mr. Arun Datre and Mr. Prakash Choukse have also been received.

None of the Directors other than Mr. Arun Datre & Mr. Prakash Choukse are concerned or interested in the resolution.

SPECIAL RESOLUTION-ITEM NO. 06 of Special Business.

Members and Investors are aware that the Indian Capital Market, the trading and settlement systems on stock exchanges, the payment of dividends, interests etc. to the shareholders, bondholders, securities holders are at present going under a sea changes. Many of the provisions of the Companies Act,

1956 have been amended by the Companies Amendment Act, 1999.

In order to keep the company in pace with the changing economic, legal systems and latest modified form of capital market environment as well as to reduce the overall cost of operations, administrations and to provide better services to the investors, shareholders, capital market the proposed changes to alter, amend, modify the existing Articles of Association of the company are to be suitably incorporated.

In view of the above to company with the legal procedural requirements of the Companies Act, 1956 the Special Resolution is proposed to be passed at the Meeting which your directors recommend to pass.

None of the Directors of the Company is in way either directly or Indirectly Interested in the proposed resolution.

SPECIAL RESOLUTION-ITEM NO. 07 of Special Business.

As the members are well aware that the Company has been taken over by the new management and in view of the new Management. the name appears like a Govt. Company hence the name of the Company be changed from Gujarat Guaranty & Financials Ltd. to Anjani Finance Limited. subject to approval by the Office of the Registrar of Companies.

None of the Directors of the Company is in anyway concerned or interested in the proposed resolution.

SPECIAL RESOLUTION-ITEM NO. 08 of Special Business.

The Members of the Company are well aware that in view of the increased business activities of the company it is considered desirable for the company to appoint a Managing Director on the Board to look after the day to day affairs of business of the company. Mr. Arun Datre is quite experienced is capable to look after overall Management and day to day administration of the company. In view of the same Mr. Arun Datre be appointed as Managing Director of the company for period of One Year with effect from 01.06.2001 at a monthly remuneration Rs. 8,500/-.

SPECIAL RESOLUTION-ITEM NO. 09 of Special Business.

As the members are well aware that the Company has been taken over by the new management and Company's Corporate/ Branch office is situated at 144, Bajrang Nagar, Indore (M.P.), Hence the statutory records shall remain at its Corporate/Branch Office. As per the provisions of sec. 163 of the Companies Act, 1956 a special resolution is required to be passed by the members of the Company. Your Directors request you to pass the resolution by requisite majority.

None of the Directors of the Company is in anyway concerned or interested in the proposed resolution.

By Order of the Board

Place : Ahmedabad
Date : 30.06.2001

(Raj Ratan Singhvi)
Director

ANNUAL REPORT 2000-2001**DIRECTORS' REPORT**

The Members

GUJARAT GUARANTY AND FINANCIALS LIMITED

Your Directors have pleasure in placing before you the Twelfth Annual Report together with the Audited Accounts of the Company for the Year ended on 31-03-2001

FINANCIAL RESULTS:

| | <u>2000-01</u> | <u>1999-00</u> |
|------------------------------------|---------------------|----------------|
| Profit / (Loss) After Depreciation | 2,192 | (-) 20,324 |
| Brought Forward Profit/ (Loss) | (-) 2,39,830 | (-) 2,19,506 |
| | (-) 2,37,638 | (-) 2,39,830 |
| Income Tax Paid | — | — |
| Profit/(Loss) Carried to B/Sheet | (-) 2,37,638 | (-) 2,39,830 |

DIVIDEND

Due to loss Company has not declared dividend

FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the year under review.

DIRECTORS

In accordance with the provision of the Companies Act, 1956 and the Company's Articles of Association, Mr. Raj Ratan Singhvi who retire by rotation at the forthcoming Annual General Meeting and being eligible offer for re-appointment.

Mr. Arun Datre and Mr. Prakash Choukse were appointed as Additional Director of the company on 15.05.2001 and Special Notice in terms of Sec. 257 of the Act along with Deposit of Rs. 500/- in cash each for their candidature have also been received.

Mrs Aruna Singhvi and Mr. Haresh Mehta had resigned from the Company your Directors place on record a vote of appreciation for the services rendered by them during their tenure as Directors of the Company.

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2001, 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 judgements and estimates that were 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 the year under review;
- (iii) that the directors had taken proper and sufficient care for the main tenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

AUDITORS' REPORT

The notes on the accounts referred to in the auditor's report are self explanatory and therefore do not call for any further comments.

AUDIT COMMITTEE

The Audit Committee consists of three directors, all of whom are independent directors. It provides direction to audit functions, reviews the financial accounts, interacts with statutory auditors and reviews matters of special interest.