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ANJANI FINANCE LIMITED

## ANNUAL REPORT 2008-2009

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### ANJANI FINANCE LIMITED

#### BOARD OF DIRECTORS

CHAMPALAL JANGID	: Managing Director
RAJ RATAN SINGHVI	: Director
AJIT BHAVSAR	: Director
NAVIN AGARWAL	: Director

#### AUDITORS

O. P. Bhandari & Co.  
Chartered Accountants  
Ahmedabad

#### BANKERS

UCO Bank, Tilak Nagar, Branch Indore

#### REGD. OFFICE

27, Mahavir Jain Society,  
Nr. Amber Cinema, Bapunagar,  
Ahmedabad - 380 024

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#### CONTENTS

Notice .....	1
Directors' Report .....	3
Management Discussion & Analysis Report .....	5
Corporate Governance Report .....	6
Auditors' Report .....	12
Balance Sheet .....	14
Profit & Loss Account .....	15
Schedules forming part of the Accounts .....	16
Significant Accounting Policies and Notes to Accounts .....	18
Balance Sheet Abstract .....	21
Cashflow Statement .....	22

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**ANJANI FINANCE LIMITED****NOTICE**

NOTICE IS HEREBY given that the 20th Annual General Meeting of the members of Anjani Finance Ltd. will be held at the Registered Office at 27, Mahavir Jain Society, Bapu Nagar, Ahmedabad (Gujarat) on Tuesday the 29th day of September 2009 at 03:00 p.m. to transact the following business :-

**ORDINARY BUSINESS**

1. To receive consider and adopt the Audited Balance Sheet as at 31.03.2009 and the Profit & Loss account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director Mr. Raj Ratan Singhvi who retires by rotation and being eligible, offer himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution.

"RESOLVED THAT pursuant to Section 372 A and other applicable provisions, if any, of the Companies Act 1956 and such other approvals as may be required, the Board of Directors of the Company be and is hereby authorized to make investment of /make loan upto Rs. 6.00 Crores(Rupees Six Crores only ) in one or more trenches, in Chameli Flour Mills Pvt. Ltd. as per the details contained in the Explanatory Statement annexed to this Notice seeking approval of the members, notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans / guarantees so far given by the Company alongwith the proposed investments shall exceed 60% of the paid-up capital and free reserves of the Company or 100% of the reserves, whichever is more.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to this resolution."

**Registered Office :**

27, Mahavir Jain Society  
Bapu Nagar, Ahmedabad  
Place : Ahmedabad  
Date : 22nd August, 2009

By Order of the Board

(Champalal Jangid)  
Managing Director

**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. The instrument appointing a Proxy on the Power of Attorney, if any, under which it is signed should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding aforesaid at meeting.
2. The Register of Members and Transfer Books of the Company shall remain closed from 25.09.2009 to 29.09.2009 (both days inclusive). During this period the transfer of Shares shall remain suspended.
3. 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.
4. Members are requested to intimate any change of address to the Company's Registered Office or to their concerned depository.
5. Members are requested to quote their Folio Number/ De-mat Account Number and DPID in all correspondence with Company.

**ANNUAL REPORT 2008-2009**

6. As per the requirement of clause 49 of the listing agreement on Corporate Governance for appointment of the Directors /re-appointment of retiring Directors, a statement containing details of the concerned Directors is given below.▼

Name of Director	Mr. Rajratan Singhvi
Date of Birth	26/06/1958
Date of Appointment	20/04/1989
Expertise in specific functional areas	Accounts & Finance
Qualifications	M.com.
List of outside Directorship held	Bhagwati Banquets and Hotels Limited
Chairman/member of the committee of the Board of Directors of the Company*	Member of Audit Committee
Chairman/member of the committee of the Board of Directors of other Companies in which he is a Director*	Member of Audit Committee of Bhagwati Banquets and Hotels Limited
Shareholding in the company	Nil

\* Only Audit Committee & Shareholders/Investors Grievance Committee has been considered.

7. The Register of Directors' shareholding maintained under section 307 of the Companies Act, 1956 will be available for inspection by the members at the AGM.
8. Members / proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.

**Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956.**

**Item No. 4**

During the course of business the Company intends to make investment of its internal accruals by way of Equity Shares in/ loan to Chameli Flour Mills Pvt. Ltd upto an amount of Rs. 6.00 Crores(Rupees Six Crore only). Chameli Flour Mills Pvt. Ltd. may utilize the funds for general corporate purpose.

None of the directors is interested in the resolution.

In terms of the provisions of Section 372A of the Companies Act, 1956 making of loan to any other body corporate, giving guarantee or providing security in connection with a loan made by any other person to, or to any other person by , any body corporate and acquiring by way of subscription, purchase or otherwise the securities of any other body corporate, requires prior approval of shareholders by way of Special Resolution, in case the such loan, guarantee, investment exceeds 60% of the paid-up capital and free reserves or 100% of the reserves , whichever is more.

Your Directors commend the Resolution for your approval as Special Resolution.

**ANJANI FINANCE LIMITED****DIRECTORS' REPORT**

Your Directors have pleasure in placing before you the 20th Annual Report together with the Audited Accounts of the Company for the Year ended as on 31st March, 2009.

**FINANCIAL RESULTS:-**

	As on 31.03.2009	(Rs. in lacs) As on 31.03.2008
Income from operations	100.08	117.75
Profit / (Loss) before taxes	48.10	41.33
Less : Provision for Income Tax/Fringe Benefit Tax	(24.01)	(4.27)
Provision for Deferred Tax	(12.69)	(38.09)
Profit/(Loss) after taxes	11.40	(1.03)
Transfer to Statutory Reserve	(2.28)	(0.00)
Profit/(Loss) brought forward from Previous year	2.44	3.47
Profit/(Loss) carried to Balance Sheet	11.56	2.44

**DIVIDEND**

To conserve the resources and to maintain liquidity, the Board has not recommended declaration of any dividend for the year under review.

**DIRECTORS**

During the year there is no change in the constitution of Board of Directors of the Company.

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

**DIRECTOR'S 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, 2009 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 were reasonable and prudent so as to give a true and fair view of the states of the affairs of the Company at the end of the financial year and of the profit and loss the Company for the year under review ;
- (iii) that the directors has taken proper and sufficient care for the maintenance 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 account for the financial year ended on 31st March, 2009 on "going concern" basis.

**PUBLIC DEPOSITS**

During the year under review, Company has not accepted any deposits under the Provisions of Sections 58A if the Companies Act, 1956.

**INSURANCE**

All the existing Properties of the Company have been adequately insured.

## ANNUAL REPORT 2008-2009

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### LISTING AGREEMENT

The Company's Equity Shares are listed at Bombay Stock Exchange (BSE) and Listing fees for the year 2009-10 have been paid. Adequate care is being taken to comply with almost all the norms and guidelines as per the applicable provisions of the Listing Agreement with the Company.

The Shares of the Company's Equity Shares are under 'Compulsory Demat'. The ISIN allotted to the Company is INE203D01018. As required by the SEBI's Circular, the company has appointed M/s. Pinnacle Share Registry Private Limited as its Registrar and Share transfer Agent also to undertake transfer of physical share certificates besides acting as Electronic Registrar.

### CORPORATE GOVERNANCE

The Company has implemented the adequate procedure and adopted practices in conformity with the code of Corporate Governance as enunciated in Clause 49 of the Listing agreement with the Stock Exchange.

The Management Discussion and Analysis and Corporate Governance Report are made part of the Annual Report.

A certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance is attached and forming part of the Director's Report.

### CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Section 642 read with clause (e) of sub-section (1) of section 217 of the Companies Act, 1956 relating to disclosure of the particulars of energy conservation, technology, absorption and foreign exchange earnings and outgo, pursuant to Companies (disclosure of particulars in the report of Board of Directors) rules 1988 are not applicable to the Company.

### EMPLOYEES

Section 217 (2A) of the Company Act 1956 Companies (Particular of Employees) Rules 1975 as amended is not applicable to your company as none of employee was in receipt of remuneration of more than Rs. 2,00,000/- per month or Rs. 24,00,000 per annum during the period under review.

### AUDITOR'S REPORT

The Auditors' report for the year ended on 31st March, 2009 and the notes forming part of accounts referred to in the auditor's report are self explanatory and give complete information, therefore do not call for any further comments.

### STATUTORY AUDITORS

M/s. O.P.Bhandari & Co., Chartered Accountants, retires at the forthcoming Annual General Meeting and is eligible for re-appointment. The Company has received a certificate from them that their appointment if approved by the shareholders would be within the ceiling prescribed under section 224(1B) of the Companies Act, 1956. The members are requested to appoint auditors to hold office until the conclusion of the next Annual General Meeting.

### MATERIAL CHANGES

No material changes have taken place since the closure of the financial accounts up to the date of the report, which may substantially affect the financial performance or the statement of the Company.

### ACKNOWLEDGMENTS

Your Directors would like to place on record their deep sense of appreciation and thanks to all the Government Authorities and Financial Institutions, Banks, Employees and Share holders for their valuable assistance, support and co-operation and look forward to the same in the years to come.

For and on behalf of the Board

Place : Ahmedabad  
Date : 22nd August, 2009

(CHAMPALAL JANGID)  
MANAGING DIRECTOR

**ANJANI FINANCE LIMITED****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****THE SCENARIO**

There is stiff competition among major NBFC companies in finance sector, but due to long history and good background of the customers give preference to the company. Your company continued to secure improved business as compared to the last year which is due to timely adoption of prudent business strategies, measures taken to reduce cost of funds and cost of operations, improved fund management and effective steps taken to maintain the level of the company. Your company has also strengthened the position by simultaneously operating wind mill in Rajasthan with finance business.

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company is primarily doing finance business and running a wind energy generation plant (wind mill).

**OPPORTUNITIES AND THREATS**

According to the management of the company, the company is financing to parties having good potential aspects. And with respect to wind mill unit the company is supplying power generation to Rajasthan Power Procurement Corporation and which is a government sector, hence there is much less risk on account of financial matter and apart from this, it is supplied under Agreement.

Further, a major threat appears to be on account of further reduction in interest rates, if any, trends in take over of loans etc. which might affect the profitability of the company. However your company is confident of facing the challenges and is optimistic about the sustenance of this finance segment for quite a long time.

**RISK AND CONCERN**

Though the management of company is quite meticulous about the security and recovery aspect of each finance file which reflect from the fact that the overall NPA recognized by the company is Rs. NIL/-.

Your company will continue to adopt strategies to register significant increase in business volumes and would still more concentrated efforts to initiate a new wind mill project.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has a proper independent and adequate system of internal controls to ensure that all the assets are protected against loss from unauthorized use of disposition and those transactions are properly authorized, recorded and reported correctly. The internal controls systems are designed in such a way to ensure that financial and other records are reliable for reporting financial statements and other data and for maintaining accountability of assets.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The company maintained cordial industrial relations during the year.

**CAUTIONARY STATEMENT**

The statements made and figures given in various sections of "Management Discussion and Analysis" are keeping in mind the Company's objectives, estimates and expectation. The actual results may differ from those expected depending upon the economic conditions, change in Govt. Regulations, and amendments in tax laws and other internal and external factors.