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ANJANI FINANCE LIMITED

ANNUAL REPORT 2009-2010

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

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Limited. (w.e.f. 25/06/2010)
211, Sudarshan Complex, Nr. Mithakhali Under Bridge
Navrangpura, Ahmedabad - 380 009

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ANJANI FINANCE LIMITED

NOTICE

NOTICE IS HEREBY given that the 21st 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 29th day of September 2010 at 03:00 p.m. to transact the following business :-

ORDINARY BUSINESS

1. To receive consider and adopt the Audited Balance Sheet as at 31.03.2010 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. Nitin Agarwal who retires by rotation and being eligible, offers himself for reappointment
3. To appoint Auditors and to fix their remuneration.

Registered Office :
27, Mahavir Jain Society
Bapu Nagar, Ahmedabad

Place : Ahmedabad
Date : 04th September, 2010

By Order of the Board


(Champatal 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 24.09.2010 to 29.09.2010 (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. 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.
5. Members are requested to intimate any change of address to the Company's Registered Office or to their concerned depository.
6. Members are requested to quote their Folio Number/ De-Mat Account Number and DPID in all correspondence with Company.

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7. 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 the Director | Navin Agarwal |
| Date of Birth | 19/09/1972 |
| Date of Appointment | 30/11/2007 |
| Expertise in specific Functional Areas | Financials and Negotiations |
| Qualification | Graduate |
| List of outside partnership held | N.A. |
| Chairman/member of the committee of the Board of Directors of other Company | N.A. |
| Chairman/member of the committee of the Board of Directors of other Companies in which he is a Director. | N.A. |
| Shareholding in the company. | Nil |

ANJANI FINANCE LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in placing before you the 21st Annual Report together with the Audited Accounts of the Company for the Year ended as on 31st March, 2010.

FINANCIAL RESULTS :-

| | As on 31.03.2010 | (Rs. in lacs) As on 31.03.2009 |
|---|---------------------|--------------------------------------|
| Income from operations | 76.55 | 100.10 |
| Profit / (Loss) before taxes | 27.34 | 48.10 |
| Less: Provision for Income Tax/Fringe Benefit Tax | 12.79 | 24.01 |
| Add: Deferred Tax Assets / Liabilities | 6.38 | (12.69) |
| Profit/(Loss) after taxes | 20.92 | 11.40 |
| Less : Transfer to Statutory Reserve | 4.19 | 2.28 |
| Profit/(Loss) brought forward from Previous year | 11.56 | 2.44 |
| Profit/(Loss) carried to Balance Sheet | 28.30 | 11.56 |

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. Navin Agarwal 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, 2010 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, 2010 on "going concern" basis.

PUBLIC DEPOSITS

During the year under review, company has not accepted any deposits under the Provision of Sections 58A of the Companies Act, 1956

INSURANCE

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

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LISTING AGREEMENT

The Company's Equity Shares are listed on Bombay Stock Exchange and Listing fees for the year 2010-11 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 Share of the Company's Equity Shares is under 'Compulsory Demat'. The ISIN allotted to the Company is INE283D01018. As required by the SEBI's Circular, the company has appointed M/s. Link Intime India Pvt. Ltd. as its Registrar and Share Transfer Agent in place of Pinnacle Share Registry Pvt. Ltd. to undertake transfer of physical share certificated besides action as Electronic Registrar.

CORPORATE GOVERNANCE

The Company has implemented the adequate procedure and adopted practices in conformity with 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 Directors 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

The Board of Director wishes to express its appreciation to all the employees of the company for their outstanding contribution to the operations of the company during the year, information as per section 217 (2A) of the Company Act 1956 Companies (Particular of Employees) Rules 1975 as amended is Nil. Since there are no employees drawing Rs. 2,00,000/- (Rupees Two Lacs Only) or more per month during the year or Rs. 24,00,000/- p a. during the period under review.

AUDITOR'S REPORT

The Auditors report for the year ended on 31st March, 2010 and the notes forming part of accounts referred to in the auditors report are self explanatory and gives 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.

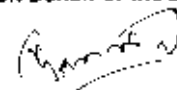
MATERIAL CHANGES

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 of 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



(CHAMPALAL JANGID)
MANAGING DIRECTOR

Place : Ahmedabad
Date : 04th September, 2010.

ANJANI FINANCE LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

THE SCENARIO:

The Company is mainly doing finance business and running a wind energy generation plant (wind mill). 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 & which is a government sector, hence there is much less risk on account of financial matter & 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 optimist 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 or 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 to 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.