

**T W E N T Y F O U R T H  
A N N U A L  
R E P O R T**

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**ANJANI FINANCE LIMITED**

## ANJANI FINANCE LIMITED

### BOARD OF DIRECTORS

<b>CHAMPALAL JANGID</b>	: Managing Director (up to 28.05.2013)
<b>SATISH DHANGAR</b>	: Managing Director (w.e.f. 28.05.2013)
<b>RAJ RATAN SINGHVI</b>	: Director
<b>AJIT BHAVSAR</b>	: Director (up to 09.04.2013)
<b>CHHOTELAL PATHAK</b>	: Director
<b>SANJAYKUMAR AGARWAL</b>	: Additional Director (w.e.f. 25.07.2013)

### 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. Ltd.  
303, 3<sup>rd</sup> Floor, Shopper's Plaza – V,  
Near Govt. Society, Opp – Municipal Market,  
C.G. Road, Navrangpura, Ahmedabad – 380009

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**NOTICE**

NOTICE is hereby given that the 24<sup>th</sup> 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 Wednesday the 25<sup>th</sup> day of September 2013 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<sup>st</sup> March, 2013, the Statement of Profit & Loss for the year ended on that date together with the notes forming part of Final Accounts and the Report of the Auditor and Directors' thereon.
2. To re-appoint Director Shri Rajratan Singhvi, who retires by rotation and offer himself for reappointment.
3. To re-appoint M/s O. P. Bhandari & Co, Chartered Accountants, Ahmedabad, as statutory auditors of the company to hold office from the conclusion of this AGM until the conclusion of the next AGM of the company and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.  
"RESOLVED THAT Mr. Sanjay Kumar Agarwal who was appointed by the Board of directors as an additional director of the company w.e.f. 25-07-2013 and who hold office up to the date of this Annual General Meeting of the company u/s 260 of the Companies Act, 1956 and in respect of whom a notice u/s 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Sanjay Kumar Agarwal as a candidate for the office of the director of the company, be and is hereby appointed as a director of the company whose period of office shall be liable to determination by retirement of directors by rotation."
5. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Mr. Satish Dhangar be and is hereby appointed as a Managing Director of the Company on the following terms and Conditions:-

Period of appointment :- 3 years - w.e.f. 28.05.2013 to 27.05.2016

Salary :- Rs. 7000/- Per Month

"RESOLVED FURTHER THAT Mr. Satish Dhangar, the Managing Director of the Company be and is hereby authorized to do such acts and things on behalf of the Company as may be directed by the board of directors of the company"

Registered Office:  
27, Mahavir Jain Society,  
Bapu Nagar, Ahmedabad.  
PLACE : Ahmedabad  
DATE : 31<sup>st</sup> July, 2013

For and on behalf of the Board

(SATISH DHANGAR)  
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 21/09/2013 to 25/09/2013 (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.

## ANNUAL REPORT 2012-2013

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

Name of the Director	Mr. Rajratan Singhvi
Date of Birth	26/06/1958
Date of Appointment	20/04/1989
Expertise in specific Functional Areas	Accounts and Finance
Qualification	M. Com
List of outside directorship held	TGB 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 TGB Banquets and Hotels Limited
Shareholding in the company.	Nil

### EXPLANATORY STATEMENT

**The explanatory statement pursuant to section 173(2) of the companies' act 1956 for item no. 4 and 5 of the accompanying notice is as under:**

**Item no. 4** – Mr. Sanjay Kumar Agarwal was appointed by the board of directors at its meeting held on 25/07/2013 as an additional director of the company w.e.f. 25/07/2013 and pursuant to section 260 of the Companies Act, 1956 he holds office up to the date of ensuing AGM.

Mr. Sanjay Kumar Agarwal is a very well experienced and a successful businessman. He has good experience of NBFC business and other allied activities. In view of his rich and vast experience the appointment as a director would be in the best interest of the company.

None of the directors other than Mr. Sanjay Kumar Agarwal himself is in anyway concerned or interested in the resolution.

Your directors recommend the resolution as at item no. 4 for your approval.

**Item no. 5** – The Board of Directors of the company at its meeting held on 28/05/2013 has appointed Mr. Satish Dhangar as a managing Director of the company on the terms and conditions as set out in the body of resolution.

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

Name of the Director	Mr. Satish Dhangar
Date of Birth	02/10/1981
Date of Appointment	28/05/2013
Expertise in specific functional areas	Finance 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

None of the directors other than Mr. Satish Dhangar himself is in anyway concerned or interested in the resolution.

Your directors recommend the resolution as at item no. 5 for your approval.

Registered Office:  
27, Mahavir Jain Society,  
Bapu Nagar, Ahmedabad.  
PLACE : Ahmedabad  
DATE : 31<sup>st</sup> July, 2013

For and on behalf of the Board

(SATISH DHANGAR)  
MANAGING DIRECTOR

**DIRECTORS' REPORT**

Your Directors have pleasure in placing before you the 24th Annual Report together with the Audited Accounts of the Company for the Year ended as on 31<sup>st</sup> March, 2013.

**FINANCIAL RESULTS :-**

<b>Particulars</b>	<b>As on</b>	(In ₹) <b>As on</b>
	<b>31.03.2013</b>	<b>31.03.2012</b>
Income from operations	<b>50,21,281</b>	70,29,868
Profit / (Loss) before taxes	<b>10,25,071</b>	24,09,361
Less: Provision for Income Tax	<b>2,19,204</b>	12,08,791
Add: Deferred Tax Assets	<b>3,09,430</b>	4,46,509
Profit/(Loss) after taxes	<b>11,15,297</b>	16,47,079
Less : Transfer to Statutory Reserve	<b>2,23,059</b>	3,29,416
Profit/(Loss) brought forward from Previous year	<b>55,56,062</b>	42,38,399
Profit/(Loss) carried to Balance Sheet	<b>64,48,300</b>	55,56,062

**DIVIDEND**

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

**DIRECTORS**

In accordance with the provision of the Companies Act, 1956 and the Company's Articles of Association, Mr. Rajratan Singhvi who retires by rotation at the forthcoming Annual General Meeting and being eligible offers for re-appointment. The brief resume/detail relating to the Director who is to be re-appointed is furnished in the Notes to the Notice of the Annual General Meeting. Members are requested to consider his re-appointment as Director of the Company. In addition to this, Mr. Ajit Bhavsar step down from directorship w.e.f. 09.04.2013 and Mr. Sanjaykumar Agarwal appointed as director w.e.f.25.07.2013.

**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 31<sup>st</sup> March, 2013 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 of 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 Annual Accounts have been prepared on a 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.

# ANNUAL REPORT 2012-2013

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## INSURANCE

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

## LISTING AGREEMENT

The Company's Equity Shares are listed on Bombay Stock Exchange and Listing fees for the year 2013-14 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 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. Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 2011 is not applicable to your Company as none of the employee was in receipt of remuneration of more than ₹5,00,000/-p.m. or ₹60,00,000/- p.a. during the period under review.

## AUDITOR'S REPORT

The Auditors report for the year ended on 31<sup>st</sup> March, 2013 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, Ahmedabad, Auditors of the Company retires at the forthcoming Annual General Meeting and being eligible offer themselves 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 of the Company.

## 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**

Place : Ahmedabad  
Date : 28<sup>th</sup> May, 2013

(SATISH DHANGAR)  
MANAGING DIRECTOR

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****THE SCENARIO:**

The Company is mainly in the finance business and is running a wind energy generation plant as well (wind mill). There is stiff competition amongst major NBFC companies as of today, but the history & background of your company has helped in retaining old customers and securing new ones. Despite the adverse market conditions, the company has managed to maintain its profitability, 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 its financial position by simultaneously operating a wind mill in Rajasthan along with its finance business.

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

The Company has two primary segments for revenue generation - finance & wind power generation.

**OPPORTUNITIES, RISKS, & CONCERNS:**

According to the management, the company has been financing reliable & loyal clients who have good potential to generate returns. And with respect to the windmill unit, the company is supplying the power generated to Rajasthan Power Procurement Corporation (RPPC), which is a Government corporation & has a lower risk of any default. The generated power is supplied under a signed agreement, to counter any risk of default.

Further, there is a general concern regarding the interest rate fluctuations, fiscal & monetary policies, which might affect the profitability of the company. However your company remains upbeat about the India economic growth, especially the finance sector. The company will anticipate & counter the economic fluctuations to the best of its capacity.

The company in such a business always faces the risk of default or non-payment. The company so far has managed to keep its NPA at zero, and will work to keep it that way. Your company will continue to adopt strategies to register significant increase in business volumes.

**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 unauthorized disposal, and such 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 safeguarding assets.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

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.

# ANNUAL REPORT 2012-2013

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

In order to ensure sustainable returns to all shareholders of the business, it is imperative, especially for large organizations, to follow certain policies, procedures and processes, which together constitute a "Code of Corporate Governance".

Some of these measures included:

- Composition of the Board of Directors.
- Constitute of various Board committees for oversight and guidance concerning key decisions and soundness of decision making processes connected with functioning of the Company.
- Timely dissemination of information to shareholders.
- Code of Conduct.

### 2. BOARD OF DIRECTORS

#### COMPOSITION OF BOARD OF DIRECTORS

The company has a reasonable size of Board. As on 31<sup>st</sup> March, 2013, the Board comprised of four Directors. The composition of the Board is as under:-

Sr. No.	Name of Director	Category of Director	No. of Board Meetings Held	No. of Board Meetings attended	No. of Other Directorships	Committee Memberships in other Company	Committee Chairmanships in other Company	Last AGM attended
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Mr. Raj Ratan Singhvi	Non-executive Director	6	4	1	2	—	Yes
2	Mr. Champalal Jangid	Executive Director	6	6	—	—	—	Yes
3	Mr. Ajit Bhavsar	Non-executive Director	6	5	—	—	—	Yes
4	Mr. Chhotelal Pathak	Executive Director	6	5	—	—	—	No

#### BOARD MEETINGS AND ATTENDANCE

The Corporate Governance policy requires the Board to meet at least 4 times in a year with a maximum gap of 4 months between any two meetings. The details of Board Meetings held during the year are as under:-

No. (1)	Date of Board Meeting (2)	Total No. of Director (3)	Director Attended (4)
1	10.05.2012	4	3
2	08.08.2012	4	4
3	13.08.2012	4	3
4	30.10.2012	4	4
5	15.01.2013	4	4
6	08.02.2013	4	4

### 3. COMMITTEES OF BOARD

#### (A) AUDIT COMMITTEE

Terms of Reference

- Review the Company's financial statements, before submission to, and approval by the Board;
- Review the Company's procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or other matters.
- Review managements and the internal auditors report on the effectiveness of the systems for internal financial control, financial reporting and risk management.



- Monitor the integrity of the Company's internal financial controls;
- Assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non financial risks;
- Review the internal audit program and ensure that the internal audit function has adequately resources at its disposal and has appropriate standing within the Company;
- Receive a report on the results of the internal auditors work on a periodic basis;
- Review and monitor management's responsiveness to the internal auditors finding's and recommendations; and
- Monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system.

#### **Composition and Attendance of Audit Committee**

The matters provided in the clause 49 of the listing agreement, the committee reviews the observation of auditors and other related matters and also reviews the accounting policies followed by the company. The minutes of the meeting is placed before the Board and confirmed. During the year under review, four Audit Committee Meetings were held and the attendance of the meetings is as under:-

<b>Name of Director</b>	<b>Meetings Held</b>	<b>Meeting Attended</b>
Mr. Ajit Bhavsar	4	3
Mr. Raj Ratan Singhvi	4	3
Mr. Champalal Jangid	4	4

#### **(B) SHARE HOLDERS & INVESTOR GRIEVANCE COMMITTEE AND COMPOSITION**

No Share Holders and Investor Grievance Committee have been formed.

Share Transfer Committee would deal with approval of issue of duplicate certificates and review all matters connected with the security transfer and redressal of shareholder and investor grievance like transfer of shares, non-receipt of balance sheet etc. No shareholders or investor grievance is pending for a period exceeding one month against the Company.

The Share Transfer Committee continues to consider and approve share transfer in the physical or Demat Form.

The Board has designated Mr. Satish Dhangar as the Compliance Officer.

#### **DETAILS OF SHARE HOLDERS' COMPLAINT RECEIVED**

- 1) No. of Shareholders' Complaints Received : Nil
- 2) No. of Complaints Resolved : Nil
- 3) No. of Pending Complaints as at 31.03.2013 : Nil

#### **(C) REMUNERATION COMMITTEE**

No remuneration committee has been constituted. However remuneration and allowances paid to Mr. Champalal Jangid, Managing Director of the Company is ₹1,64,241/-

#### **4. DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS**

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2010	27, Mahavir Jain Society, Bapu Nagar, Ahmedabad	29/09/10	03:00 PM.
2011	27, Mahavir Jain Society, Bapu Nagar, Ahmedabad	30/09/11	03:00 PM.
2012	27, Mahavir Jain Society, Bapu Nagar, Ahmedabad	29/09/12	03:00 PM.

No special resolution was passed last year by postal ballot.

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## 5. DISCLOSURES

- a. There were no incidents of any non-compliance penalties / strictures imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.
- b. The Company has disclosed related party transactions in the notes forming part of accounts. Except this there is no materially significant related party transaction, which may have potential conflict with the interests of the company at large. Company has given a certificate to auditors regarding all related party transactions.
- c. That in preparation of financial statement all applicable accounting standards are followed.
- d. The Company has complied with all the mandatory requirements as specified under clause 49 of the listing agreement. A certificate from the statutory auditor of the Company to this effect has been included in this report. The Company is yet to adopt the non mandatory requirements of Clause 49 of the listing requirement.

## 6. CEO/CFO CERTIFICATE

The Managing Director of the Company has furnished the requisite certificate to the Board of Directors under Clause 49 VII of the Listing Agreement.

## 7. COMPLIANCE CERTIFICATE FROM AUDITORS

Certificate from statutory auditors confirming compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement is annexed to this report forming part of the Annual Report.

## 8. MEANS OF COMMUNICATIONS

- Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirement of Clause 41 of the Listing Agreement.
- The Quarterly Results were published in Western Times in English and Gujarati edition on 15.08.12, 01.11.12, 09.02.13 and 30.05.13 respectively for each quarter and annual results were published on 30.05.2013 Western Times in English and Gujarati edition. The relevant copies have been sent to the Stock Exchange at Mumbai.

## 9. SHAREHOLDERS INFORMATION

### A. Annual General Meeting

Date : 25.09.2013

Time : 03:00 PM.

Venue : 27, Mahavir Jain Society, Bapu Nagar, Ahmedabad.

### B. Book Closure Date : 21.09.2013 to 25.09.2013 (Both the days inclusive)

### C. Financial Calendar (Tentative)

Financial Year : 2013-14.

First Quarter Result : End of July, 2013.

Second Quarter Result : End of October, 2013.

Third Quarter Result : End of January, 2014.

Result for year ending 31.03.2014 : End of May, 2014.

### D. Dividend Payment date : Not Applicable.

### E. Listing on Stock Exchange : Bombay Stock Exchange Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai: 400001

### F. Stock Code : (a) BSE - 531878 (b) NSDL - INE283D01018. (c) CDSL - INE283D01018.