



# **Anjani Synthetics Limited**

**24<sup>th</sup> Annual Report  
2007-2008**



### Board of Directors

Shri Subhakaran T. Agarwal - Chairman  
 Shri Vasudev S. Agarwal - Managing Director  
 Shri Manoj Lunia - Director  
 Shri Bhoorsingh B. Parihar - Director

### Auditors

**NAHTA JAIN & ASSOCIATES**  
 Chartered Accountants  
 AHMEDABAD

### Bankers

**PUNJAB NATIONAL BANK**

### Share Transfer Agent

**PINNACLE SHARE REGISTRY PRIVATE LIMITED**  
 Near Asoka Mills, Naroda Road, Ahmedabad – 380025

#### Registered Office

202, "Kaivanna",  
 Near Panchwati Circle,  
 Ambawadi,  
 Ahmedabad - 380006

#### Works

140, Pirana Road,  
 Piplej,  
 Ahmedabad-382405



## NOTICE

NOTICE is hereby given that the **24th Annual General Meeting** of the Members of **ANJANI SYNTHETICS LIMITED** will be held at the Factory of the Company at Plot No.140, Saijpur, Gopalpur, Pirana Road, Pipej, Ahmedabad-382405 on **Monday, 29th September, 2008 at 10.00 a.m.** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at **31st March, 2008** and the Profit & Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of **Mr. Manoj H. Lunia**, who retire by rotation and being eligible offers him-self for re-appointment.
3. To appoint **M/s. Nahta Jain & Associates, Chartered Accountants, Ahmedabad** as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their Remuneration.

BY ORDER OF THE BOARD,  
FOR, ANJANI SYNTHETICS LIMITED

PLACE: AHMEDABAD.

DATE: 20.07.2008 (SUBHKARAN AGARWAL)  
CHAIRMAN

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE MEETING.
2. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting, so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
3. Members are requested to notify the Company of any change in their address (in full) with the postal area pin code number, quoting their folio numbers.
4. The Register of Members and Share Transfer Register of the Company will remain closed from 23rd September, 2008 to 29th September, 2008 (both days inclusive).
5. Pinnacle Shares Registry Private Limited, Near Ashoka Mills, Naroda Road, Ahmedabad-380025 are Registrars and Share Transfer Agents for Company's shares in Demat and Physical Form. The members are requested to please ensure that their shares are converted into Demat Form.
6. Additional information as required in terms of paragraph VI(A) of the Clause 49 of the Listing Agreement on Director seeking re-appointment at the ensuing Annual General Meeting is as under:  
Mr. Manoj Lunia is Non-Executive Director of the Company. He has rich experience in the filed of Accounts and Administration. He has been associated with the Company since 2005. He is Member of the Audit Committee and Remuneration Committee of the Company. Mr. Manoj Lunia retires by rotation and being eligible offers himself for re-appointment.

Anjani Synthetics Ltd.



Annual Report 07-08

## DIRECTORS' REPORT

Dear Members,

### ANJANI SYNTHETICS LIMITED

Ahmedabad:

Your Directors have great pleasure in presenting the 24th Annual Report together with the Audited statements of Accounts of your Company for the financial year ended on 31st March 2008.

#### FINANCIAL RESULTS: (Rupees in Lacs)

Particulars	FY 2007-08	FY 2006-07
Total Income (Turnover)	20083.52	12134.63
Depreciation	265.85	288.17
Profit/(Loss) before Taxation	520.57	301.29
Provision for taxation current tax	180.00	100.00
Profit/(Loss) after Tax	326.05	175.99

#### OPERATIONS REVIEW:

During the year under review, the Company's total Income was Rs.20083.52 Lacs as compared to Rs. 12134.63 Lacs of the previous year. The company has earned net profit of Rs. 326.05 Lacs after providing for depreciation of Rs. 265.85 Lacs and taxation (Current tax) of Rs. 180.00 Lacs for the year ended 31st March, 2008.

#### DIVIDEND:

Yours Directors have declared interim dividend @ 5% on equity shares amounting to Rs.2700250/- during the year 2007-08.

#### SHARE CAPITAL OF THE COMPANY

During the year under review, the Authorized Share Capital of the Company was increased from Rs.6,00,00,000/- to Rs.15,00,00,000/-. The present Authorized Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Lac Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten only) each.

During the year under review, the Paid-up Share Capital of the Company was increased from Rs.5,40,05,000/- to Rs.10,80,10,000/- by issuing 54,00,500 Bonus Equity Shares in preparation of 1:1 to the existing shareholders of the

Company. The present Paid-up Share Capital of the Company is Rs.10,80,10,000/- (Rupees Ten Crores Eighty Lacs Ten Thousand Only) divided into 1,08,01,000 (One Crore Eight Lacs One Thousand) Equity Shares of Rs.10/- (Rupees Ten only) each.

#### FIXED DEPOSIT:

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956.

#### DIRECTORS:

Mr. Manoj H. Lunia, Director of the Company retire by rotation at the ensuing Annual General Meeting. Being eligible he has himself for re-appointment.

#### AUDITORS:

Auditors of the Company, M/s. Nahta Jain & Associates, Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting of the Company and are eligible for reappointment. The Shareholders are requested to appoint them as auditors and fix their remuneration.

#### AUDITORS' REPORT:

The observations made by the Auditors' in their Auditors' Report and the notes appearing in the accounts with regard to it are self-explanatory and do not requires further clarification by the Board.

#### ADDITIONAL DISCLOSURES:

In line with the requirements of the Listing Agreement with the Stock Exchanges and Accounting Standard of the Institute of Chartered Accountants of India, your Company has made additional disclosures in the notes on accounts for the year under review in respect of Related Party Transactions, Deferred Tax Liability, etc.

#### CORPORATE GOVERNANCE REPORT:

Your Company perceives Corporate Governance as an endeavor for transparency and a wholehearted approach towards continuous enhancement of shareholders' value. Your Company has been complying with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. Further, the Board of Directors of your Company constituted a Committee known as Corporate Governance Committee, which recommends the best practices in the Corporate Governance.



A separate report on Corporate Governance along with Auditors' Certificate on compliance with the Corporate Governance norms and stipulated in Clause 49 of the Listing Agreement, forming part of this report is annexed herewith.

#### PARTICULARS OF EMPLOYEES:

The statement showing particulars of employees under section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given as there were no employees coming within the purview of this section.

#### INSURANCE:

The Company has made necessary arrangements for adequate insuring of interests in various properties.

#### MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report is part of Director Report is annexed herewith.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information pursuant to Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to the foregoing matters is given hereunder.

- a) Conservation of energy : Rs.30132768/-
- b) Technology absorption, research & development : Rs. 95059/-
- c) FOREIGN EXCHANGE EARNINGS AND OUTGO :  
Foreign Exchange Earnings during the year : Rs. 373082594/-  
Foreign Exchange Outgo during the year : Rs.466426/-

#### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have 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 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;

- iii) the Directors have 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) the Directors have prepared the accounts on a "going concern basis".

#### ACKNOWLEDGEMENT:

Your Directors acknowledge their unmatched valuable contribution and appreciate the co-operation received from the bankers, customers and financial institutions for their continued assistance and support extended to the Company. Your Directors also express their appreciation to all the employees of the Company for their sustained contribution throughout the period.

Yours Directors wish to thank the shareholders for their continued support, encouragement and the confidence reposed in the Management.

BY ORDER OF THE BOARD,  
FOR, ANJANI SYNTHETICS LIMITED

PLACE: AHMEDABAD.

(SUBHKARAN AGARWAL)

DATE: 20.07.2008

CHAIRMAN



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2008

### 1. THE CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance at ASL is by the need to "enhance shareholder value, keeping in view the interests of other stakeholders". This definition places emphasis on the need to strike a balance at all times between the need to enhance shareholders' wealth whilst not being detrimental to other stakeholders' interests. The imperative for Corporate Governance lies not merely in drafting a code of Corporate Governance, but in practicing it to achieve desired results.

Actual management of the Company vests with a team of senior executives, led by the Managing Director. They are vested with operational and financial powers through a well-structured process of delegation. The management team functions within the framework laid out by the Board and are accountable to the Board through the Managing Director for all their actions.

The Code therefore endeavours to address the following deliverables:

- o Ensure that the quantity, quality and frequency of financial and managerial information, which management shares with the Board, fully places the Board members in control of the Company's affairs;
- o Ensure that the decision making process is transparent and documentary evidence traceable through the minutes of the meetings of the Board/ Committee/ Executive Committees thereof;
- o Ensure that executive action at the operating level is exercised within a framework of checks and balances but without debilitating the creative processes that need to be encouraged in the organization;
- o Ensure the fullest commitment of the management and the Board to world class operating practices;
- o Ensure that the Board exercises its fiduciary responsibilities towards Shareowners and Creditors, there By ensuring high accountability;
- o Ensure that the extent to which the information is disclosed to present and potential investors is maximized;

It is evident that real onus of achieving the desired level of Corporate Governance, lies in the proactive initiatives taken to achieve desired results and not in the external measures like breadth and depth of a code or stringency of enforcement of norms.

### 2. BOARD OF DIRECTORS

The Board of ASL provides leadership and strategic guideline, objectively reviews management decisions and

#### Attendance record of Directors attending the Board meetings and Annual General Meetings during the year 2007-08

Name of the Director & (DIN)	Designation/ Category	No. of Board Meetings		Last AGM attendance	No. of other Directorship & Committee Member/ Chairmanship in other Companies		
		Held	Attended		Directorship	Committee Chairmanship	Committee Membership
Vasudev Agarwal (01491403)	Managing Director	10	10	Yes	-	-	-
Subhakaran Agarwal (01612725)	Chairman & Non-Executive Director	10	10	Yes	-	-	-
Manoj Luria (00564376)	Non-Executive/ Independent Director	10	10	Yes	07	-	-
Bhoorsingh Parihar (01612692)	Non-Executive/ Independent Director	10	10	Yes	-	-	-

exercises control over the Company, while remaining at all times trustees of shareholders. The Board is accountable at all to the shareholders for creating, protecting and enhancing wealth and resources of the Company and reporting to them on the performance in a timely and transparent manner.

### Scheduling and selection of agenda

In terms of the Corporate Governance code, Board Meetings are scheduled with proper notice and the agenda for each meeting, along with explanatory statements are distributed in advance to the Board Members. Every Board Member is free to suggest the inclusion of items on the Agenda. Additionally, while approving the 'Delegation of operational and financial powers' the Board has mandated the management to bring to its attention various operational powers exercised by the management from time to time for ratification or information. This information is also placed with the Board appropriately.

### 3. BOARD STRUCTURE

The Board of Directors is having an appropriate mix of executive and non-executive independent directors as on 31st March, 2008. The Board of Directors is consisting of Four Directors. The Managing Director manages the day to day affairs of the Company. The Board comprises of Executive and Non-Executive Directors, with considerable experiences in their respective fields. ASL did not have any pecuniary relationship of transactions with the non-executive directors during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

#### Composition of the Board of Directors:

Directors	No. of Directors	Percentage of total No. of Directors
Executive	1	25
Non-Executive Director	3	75
Total	4	100

#### Numbers of Board Meetings held and the dates on which such meetings were held:

During the financial year 2007-08 the Board met 13 times on 05.04.2007, 21.04.2007, 20.06.2007, 27.07.2007, 22.9.2007, 20.10.2007, 23.10.2007, 20.11.2007, 01.01.2008, 18.01.2008, 23.01.2008, 30.01.2008, 25.02.2008. The maximum gap between two meetings was not more than 4 months.





None of the Director is a member in more than 10 Companies and Act as Chairman in more than 5 Companies across all Companies in which he is a Director.

#### 4. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of three non-executive directors being Mr. Subhakaran Agarwal, Mr. Manoj Lunia and Mr. Bhoorsinh Parihar. Mr. Subhakaran Agarwal is Chairman of the Committee. The role, terms of reference, authority and powers of the audit committee are in conformity with the requirement of Companies Act, 1956, and Listing Agreement.

##### Role/ Functions of the Committee:

- o Reviewing with management the annual financial statements before submission to the Board.
- o Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- o Review of policies relating to risk management – operational and financial.
- o Reviewing with the management, external and internal auditors and the adequacy of the internal control system.
- o Discussion with internal auditors of any significant finding and follow-up thereon.

##### Powers of the Committee:

- To investigate any activity within its terms of reference.
- To secure attendance of and seek any information from any employee including representative of the prime shareholders (subject to their internal approvals).
- Compliance with accounting standards.
- To obtain outside legal or other professional advice, if necessary.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Compliance with Stock Exchange and legal requirements concerning financial statements.

##### Attendance at the Audit Committee Meetings- 2008

During the year the Audit Committee met 4 times on 21.04.2007, 27.07.2007, 23.10.2007, and 30.01.2008 attendance of the members as under:

Name	No. of Meeting attended	No. of Meeting attended	
		Held	Attended
Subhakaran Agarwal	Chairman & Non-Executive Director	4	4
Manoj Lunia	Non-Executive Director	4	4
Bhoorsingh Parihar	Non-Executive Director	4	4

#### 5. REMUNERATION COMMITTEE

The Remuneration Committee consists of only Non-executive Directors which evaluates and finalizes among other things, compensation and benefits of the Executive Directors. The Committee consists by Mr. Subhakaran Agarwal, Mr. Manoj Lunia and Mr. Bhoorsinh Parihar and Mr. Subhakaran Agarwal is Chairman of the Committee.

#### 6. SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE

This committee consists of 3 directors namely, Mr. Subhakaran Agarwal, Mr. Manoj Lunia and Mr. Bhoorsinh Parihar, Mr. Subhakaran Agarwal is Chairman of the Committee. The committee was constituted to redress shareholders'/ investors' complaints etc. relating to delay in transfer of shares, non-receipt of annual accounts, delay in balance sheet, split-up share certificate, issue duplicate certificate, transmission of shares, dematerialization of shares etc. relating to the shares issued by the Company. The Managing Director of the Company has been authorized by the Board to approve such transfers within the time stipulated under the Listing Agreement. Further the complaints of the above nature are promptly attended by the Compliance Officer.

Mr. Vasudev Agarwal has been appointed as the Compliance Officer of the Company by the Board of Director.

There is no pending, unsolved complaint of Shareholders of the Company and no pending Share Transfer.

Shareholders desiring to communicate with the Company on any of the matters relating to the shares, may visit in personal or write to the Company.

#### 7. SHARE TRANSFER SYSTEMS

All the shares received are processed by the Registrar and Share Transfer Agent of the Company. Share transfers are registered and returned within maximum of 30 days from the date of lodgment if documents are complete in all respects, subject to exercise of option under compulsory transfer cum- demat- procedure; share certificates are either demated or returned within the time limit as prescribed by the authorities.

#### 8. REGISTRAR AND SHARE TRANSFER AGENT

M/s. Pinnacle Shares Registry Private Limited having its Registered Office at Near Asoka Mills, Naroda Road, Ahmedabad- 380 025 is the Registrar & Share Transfer Agent for processing the transfer of securities issued by