



**ANJANI SYNTHETICS LIMITED**

**28<sup>th</sup>**

**Annual Report**

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# ANJANI SYNTHETICS LIMITED

## **BOARD OF DIRECTORS :**

Shri Vasudev S. Agarwal	- Chairman & Managing Director
Shri Manoj Lunia	- Director
Shri Ajaykumar C. Shah	- Director
Shri Mahavirprasad S. Dalmia	- Director

## **AUDITORS :**

NAHTA JAIN & ASSOCIATES  
Chartered Accountants  
AHMEDABAD

## **BANKERS :**

PUNJAB NATIONAL BANK

## **SHARE TRANSFER AGENT :**

SHAREPRO SERVICES (INDIA) PRIVATE LIMITED  
416-420 Devnandan Mall,  
Opp. Sanyas Ashram, Ashram Road,  
Ahmedabad-380 006

## **REGISTERED OFFICE :**

244, New Cloth Market,  
O/s. Raipur Gate, Ahmedabad-380 002.

## **WORKS :**

140, Pirana Road,  
Piplej, Ahmedabad-382405.

**NOTICE**

**NOTICE** is hereby given that the **28TH 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, Piplej, Ahmedabad-382405, Gujarat, INDIA on **Friday, 28th day of September, 2012 at 11.00 a.m.** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt Audited Balance Sheet as at **31st March, 2012** 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. Mahavirprasad S. Dalmia** being eligible offers him-self for reappointment.
3. To appoint Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT **M/s. Nahta Jain & Associates, Chartered Accountants of Ahmedabad [FRN: 1068101 W]** be and are hereby appointed as the Statutory Auditors of the Company for the financial year **2012-13**, to hold office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as to be decided by the Board of Directors in consultation with them, apart from out-of-pocket expenses that may be incurred by them for the purpose of Audit."

By Order of the Board  
For, **ANJANI SYNTHETICS LIMITED**

**PLACE: AHMEDABAD.**  
**DATE: 11.08.2012**

**[VASUDEV S. AGARWAL]**  
Chairman and MD

**Regd. Office:**  
**244, New Cloth Market,**  
**O/s. Rapur Gate,**  
**Ahmedabad- 380002, Gujarat, INDIA**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members/ proxies are requested to bring their copies of Annual Report along with duly filed and signed attendance sheets attached with it for attending the meeting.
4. 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.
5. 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.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Share Transfer Register of the Company will remain closed from 24th September, 2012 to 28th September, 2012 (both days inclusive).



8. SHAREPRO SERVICES (INDIA) PVT. LTD. having its office at 416-420, Devnandan Mall, Opp. Sanyas Ashram, Ashram Road, Ahmedabad-380 006 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.
9. 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. Mahavirprasad S. Dalmia is Independent Non-Executive Director of the Company. He is having rich experience in the filed of factory management and works. He has been associated with the Company since 2010. He is Member of the Audit Committee, Remuneration Committee and Shareholders Transfer and Grievances Committee of the Company. Mr.Mahavirprasad S. Dalmia retires by rotation and being eligible offers himself for re-appointment.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. up to the date of the Meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, SHAREPRO SERVICES (INDIA) PVT. LTD.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to SHAREPRO SERVICES (INDIA) PVT. LTD. for consolidation into a single folio.

**PLACE: AHMEDABAD.**  
**DATE: 11.08.2012**

**By Order of the Board**  
**For, ANJANI SYNTHETICS LIMITED**

**[VASUDEV S. AGARWAL]**  
**Chairman and MD**



## DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the **28th** Annual Report together with the Audited statements of Accounts of your Company for the financial year ended on **31st March 2012**.

### FINANCIAL RESULTS :

(Rupees in Lacs)

Particulars	Financial Year 2011-12	Financial Year 2010-11
Total Income including other Income- Turnover	30029.02	28609.52
Financial Expenses	1019.11	725.06
Depreciation	224.42	228.25
Profit/ (Loss) before Tax	451.67	482.32
Provision for Taxation	151.00	170.00
Net Profit/ (Loss) after Tax & adjustments	299.10	313.18
Basic & Diluted earning per share (EPS)	2.77	0.29

### OPERATIONS REVIEW:

The Company's total income from operations and other Income during the financial year ended 31st March 2012 is Rs.30029.02 Lacs as against Rs.28609.52 Lacs of the previous year representing an increase of approximately about 5% over the corresponding period of the previous year. Net Profit of the Company for the year under review after considering Depreciation and Provision for Tax and other adjustments is Rs.299.10 Lacs as against Rs.313.18 Lacs of the previous year. The increase in turnover during the financial year under review was on account of increased sales, reduction in input costs, interest costs and overall efficiency in operations at all levels.

With the growth of the Indian economy and the resulting increase in turnover, incomes, the Company sees significant opportunities for growth in its primary businesses. The Company's mission is to build a class one textile Company with the highest standards of professionalism, ethics and customer service and to thereby contribute to and benefits from the growth of the Indian economy.

### DIVIDEND:

No dividend has been recommended in respect of the year ended 31st March, 2012 and the entire surplus be ploughed back to the business to meet the needs for additional finance for capital expenditure.

### 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:

At the ensuing Annual General Meeting Mr. Mahavirprasad S. Dalmia will retire by rotation and being eligible and offers him-self for re-appointment in the term of provision of Articles of Association of the Company.

### AUDITORS AND AUDITORS' REPORT:

**M/s. Nahta Jain & Associates, Chartered Accountants of Ahmedabad** Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Shareholders are requested to appoint the auditors of the Company and fix their remuneration.

The Company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment



within the meaning of Section 226 of the said Act.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**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:**

Statutory statement showing particulars of employees under section 217, sub-section (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 assets of the Company are adequately insured against the loss of fire and other risks which considered necessary by the management.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Industry structures relating to the Company's activity is performing well in economy. The Company has obtained various order (domestic and exports) during the financial year 2011-12. Growth of the Industry is providing the opportunity to overcome the threat of increasing cost and competition for the Industry. The Audit Committee of the Company has regularly reviewed internal Control System of the company.

**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. Nil
b)	Technology absorption, research & development	:	Rs. Nil
c)	FOREIGN EXCHANGE EARNINGS AND OUTGO	:	(Rs. in lacs)
	Foreign Exchange Earnings during the year	:	Rs.3956.80
	Foreign Exchange Outgo during the year	:	Rs. Nil

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- 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".

**APPRECIATION:**

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff of the Company.

**On behalf of the board  
FOR, ANJANI SYNTHETICS LIMITED**

**PLACE : AHMEDABAD  
DATE : 11.08.2012**

**[VASUDEV S. AGARWAL]  
Chairman and MD**


**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2012**
**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:

- 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;
- 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;
- 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;
- Ensure the fullest commitment of the management and the Board to world class operating practices;
- Ensure that the Board exercises its fiduciary responsibilities towards Shareowners and Creditors, there By ensuring high accountability;
- 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 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, 2012. 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 :**

<b>Directors</b>	<b>No. of Directors</b>	<b>Percentage of total No. of Directors</b>
Executive	02	50
Non-Executive Director	02	50
<b>Total</b>	<b>04</b>	<b>100</b>

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

During the financial year 2011-12 the Board met 14 (Fourteen) times on 04.05.2011, 10.05.2011, 13.05.2011, 12.08.2011, 25.08.2011, 01.10.2011, 17.10.2011, 14.11.2011, 21.11.2011, 04.02.2012, 14.02.2012, 22.02.2012, 14.03.2012, 27.03.2012. The maximum gap between two meetings was not more than 4 months.





Attendance record of Directors attending the Board meetings and Annual General Meetings during the year 2011-12 :

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 Membership	Committee Chairmanship	Committee
Vasudev Agarwal (01491403)	Executive/ Promoter	14	14	Yes	—	—	—
Manoj Lunia (00564376)	Executive/ Independent Director	14	10	Yes	—	—	—
Ajaykumar C. Shah (01787925)	Non-Executive/ Independent Director	14	09	Yes	01	—	—
Mahavirprasad S. Dalmia (02884037)	Executive/ Independent Director	14	13	Yes	—	—	—

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. Manoj Lunia, Mr. Ajaykumar C. Shah and Mr. Mahavirprasad S. Dalmia. Mr. Manoj Lunia 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 :

- Reviewing with management the annual financial statements before submission to the Board.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Review of policies relating to risk management – operational and financial.
- Reviewing with the management, external and internal auditors and the adequacy of the internal control system.
- 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- 2012 :

During the year the Audit Committee met 4 times on 13.05.2011, 12.08.2011, 14.11.2011, 14.02.2012 attendance of the members as under:



Name	No. of Meeting attended	No. of Meeting attended	
		Held	Attended
Manoj Lunia	Chairman & Non-Executive Director	04	04
Mahavirprasad Dalmia	Executive Director	04	04
Ajaybhai C. Shah	Non-Executive Director	04	03

**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. Manoj Lunia, Mr. Ajaybhai C. Shah and Mr. Mahavirprasad S. Dalmia**. **Mr. Manoj Lunia** is Chairman of the Committee.

**6. SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE :**

This committee consists of 3 directors namely, Mr. Manoj Lunia, Ajaybhai C. Shah and Mr. Mahavirprasad S. Dalmia. Mr. Manoj Lunia 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.

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. Sharepro Services (India) Private Limited having its Office at 416-420, Devnandan Mall, Opp. Sanyas Ashram, Ashram Road, Ahmedabad-380 006 is the Registrar & Share Transfer Agent of the Company.

**Address of the Correspondence :****Regd. Office :**

244, New Cloth Market,  
O/s. Raipur Gate, Ahmedabad- 380002, Gujarat, INDIA

**Investors Correspondence/ Complaints to be address to:****Mr. Vasudev Agarwal**

Managing Director and Compliance Officer

E-mail: investor@anjanisynthetics.com

**Statement of the various complaints received and cleared by the Company during the year ended on 31st March, 2012 as under :**

Sr. No.	Nature of Complaints	Numbers of Complaints			
		Pending as on 01.04.11	Received	Resolved	Pending as on 31.03.12
1	Non receipt of dividend/ annual report	Nil	Nil	Nil	Nil
2	Complaints relating to dematerialization of shares	Nil	Nil	Nil	Nil
3	Complaints relating to transfer of securities/ issue of duplicate certificate.	Nil	Nil	Nil	Nil
4	Others	Nil	Nil	Nil	Nil
<b>Total</b>		<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>