

Anant Raj Industries Limited



**Ceramic Tiles
For Floors & Walls**

15th Annual Report 1999-2000



Anant Raj Industries Ltd.

BOARD OF DIRECTORS

Shri Ashok Sarin Chairman
 Shri Anil Sarin Managing Director
 Shri R. N. R. Gandhi
 Shri R. S. Sahni
 Shri Vijay Sachdev
 Shri Pankaj Nakra

EXECUTIVE DIRECTORS

Shri Amit Sarin
 Shri Aman Sarin
 Shri Baldev Raj Sikka

VICE-PRESIDENT (WORKS)

Shri Ajit Chakravarty

COMPANY SECRETARY

Shri Manoj Pahwa

AUDITORS

B. Bhushan & Co.
 Chartered Accountants
 EC-13, Inderpuri
 New Delhi - 110 012

BANKERS

State Bank of India
 Rewari - 123 401
 Haryana

CORPORATE OFFICE

H-65, Connaught Circus,
 New Delhi - 110 001

HEAD OFFICE AND SHARE TRANSFER OFFICE

ARA Centre,
 E-2, Jhandewalan Extension,
 New Delhi - 110 055

REGISTERED OFFICE AND WORKS

85-2 Km. Stone, Delhi-Jaipur Highway
 Village Bhudla
 P. O. Sangwari
 District Rewari - 123 401.
 Haryana

LISTING OF SHARES

Shares of the Company are listed at Stock
 Exchanges at Ahmedabad, Bombay and
 Delhi

Annual Listing fees paid upto date



Anant Raj Industries Ltd.

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Company will be held on Saturday, the 30th September, 2000 at 9.30 A.M. at the Registered Office of the Company at 85.2 KM Stone, Delhi – Jaipur Highway, Village Bhudla, P.O. Sangwari District – Rewari (Haryana), to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2000 and the audited Profit & Loss Account of the Company for the year ended on that date and reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Shri Vijay Sachdev who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Pankaj Nakra who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration

SPECIAL BUSINESS

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

Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act 1956, the Articles of the Association of the Company be and are hereby altered, amended and / or substituted in the manner and to extent set out herein below.

- A) In Article (1) the following definitions are added at appropriate places.

"Shareholder" or "Member" means every person holding shares of the Company and whose name is entered in the Register of Members and includes a person holding shares of the Company and whose name is entered as Beneficial Owner in records of the Depository and also includes subscribers to the Memorandum and Articles of Association of the Company but does not include a bearer of Share Warrant of the Company issued in pursuance of Section 114 of the Act.

"Beneficial Owner" shall means beneficial owner as defined in clause (a) Subsection 1 of Section 2 of the Depositories Act 1996.

"Depositories Act, 1996" shall include any statutory modification or enactment thereof.

"Depositories" shall mean a Depository as defined in clause (e) of Subsection 1 of Section 2 of the Depositories Act, 1996.

"SEBI" means the Securities and Exchange Board of India as defined under Section 8 of Securities and Exchange Board of India Act, 1992.

- B) The following Article be inserted as Article 50 A after the existing Article No. 50.

Article No.: 50 A

- i) The Company shall be entitled to dematerialise its securities and to offer securities in dematerialised form pursuant to Depositories Act, 1956 and rules framed there under, if any.

ii) Options to hold Securities

Every person subscribing to securities offered by the Company shall have the option either to receive the security certificate or to hold securities with a depository. If a person opts to hold a security with a depository, the Company shall intimate such depository the detail of allotment of security. The depository, on receipt of such information, shall enter in its records the name of the allottee as the beneficial owner of security. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in a manner provided by the Depositories Act. The Company shall in the manner and with in the time prescribed issue to beneficial owner the required certificates of the securities in respect of his holding.

iii) Security in depositories to be in fungible form.

All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Section 153, 153 A, 153 B, 187 B, 187 C, and 372 A of the Act shall apply to a depository in respect of securities held by it on behalf of the beneficial owner.

iv) Rights of Depositories and Beneficial Owners

- a) Notwithstanding anything contained in these Articles, a depositor shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above, the depository as the registered owner of securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the Company and whose name is entered as a beneficial owner in records of the depository shall be deemed to a



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member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his / her securities which are held by a depository.

v) Service of Documents

Not with standing anything in the Act, or Articles where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of Floppies or Discs.

vi) Transfer of Securities

Nothing contained in Section 108 of the Act or Articles shall apply to transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

vii) Allotment of Securities dealt with in depository

Notwithstanding any thing contained in the Act or Articles, where securities are dealt with by a depositor, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

viii) Distinctive Numbers of Securities held by in a depository

Nothing contained in the Act or the Articles regarding necessity of having distinctive numbers for securities issued by the Company shall apply to the securities held with the depository.

ix) Register and Index of Beneficial Owners

The Register and Index of Beneficial Owners maintained by a depository under Depository Act 1996, shall be deemed at be Register and Index of members and securities holder for the purpose of the Articles.

- C) After Article 39 a new article 39 A be inserted as under.

Article No. : 39 A

"Not with standing anything contained in any other clause in the Articles of Association a holder or joint holders of shares or debentures, may nominate in accordance with provisions of Section 109 A of the Companies Act, 1956, and the manner prescribed there under, a person to whom all the rights in shares or debentures of the Company shall vest in the event of death of such holder(s). Any nomination so made shall be dealt with by the Company in accordance with provisions of Section 109 B of the Companies Act 1956."

6. To consider and if though fit, to pass, with or without modification (s), the following Resolution as a special Resolution.

"Resolved that subject to the provisions of the Companies Act 1956 (including any statutory modification (s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company, consent of the Company be and is hereby accorded and authority in respect thereof be and is hereby vested in the Board of Directors to delist the Company's equity shares from Ahmedabad Stock Exchange.

By the Order of the Board of Directors
For Anant Raj Industries Ltd.

New Delhi
August 25, 2000

ASHOK SARIN
CHAIRMAN.

Annexure to the Notice

Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956.

Item No. 5

With the introduction of the Depositories Act, 1996, and the Depository System, some of the provisions of the Companies Act 1956 relating to issue, holding, transfer, transmission of shares and other securities have been amended to facilitate implementation of the new system.

The Company intends to join the Depository System and it is therefore, proposed that the Company's Articles of Association be suitably altered to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of beneficial owners of securities in such a system. The Board recommends the resolution for approval of Shareholders. A copy of Memorandum and Articles of Association together with proposed alterations is available for inspection by the members of the Company at its registered office during the business hours or any working day.

The Companies (Amendment) Act, 1999 has inter alia, made a provision through Section 109 A and 109 B whereby a holder of security in the Company can nominate any person to whom the rights of the security holder of the Company shall vest in event of death of such holder. Such a nominee can elect either to be registered himself as the holder of such security or make such transfer of security as the deceased holders' of security could have made. It would be in the interest of the members if such a nomination clause is included in the Company's Articles of Association. It is, therefore, proposed to introduce a new Article in Articles of Association of the Company by the way of an enabling provision to provide for nomination facility in accordance with Section 109 A and 109 B of the Companies Act,



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1956.

None of the Directors of the Company, is in any way, concerned or interested in this resolution.

Item No. 6

The Company's equity shares are presently listed at Stock Exchanges at Ahmedabad, Bombay and Delhi. It is proposed to voluntarily delist the shares from Ahmedabad Stock Exchange in accordance with the Rules framed in this regard. As the Shares of the Company have not been traded in the Ahmedabad Stock Exchange in the last few years, the cost involved in continuing with the listing arrangements with the said stock exchange in unjustified.

The proposed delisting will not adversely affect the interest of any member located in any above region which is covered by Ahmedabad Stock Exchange None of the Directors of the Company is in any way concerned or interested in the said resolution.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself to attend and vote on a poll and such proxy need not be a member of the Company.
The blank proxy Form is annexed. The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 16.09.2000 to 30.09.2000 (both day inclusive).
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on any working day between 9.30 A.M. to 1.00 P.M. upto the date Annual General Meeting.
4. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
5. No gifts will be distributed at the venue of the meeting.
6. All members wishing to avail of nomination facility may file the prescribed form (form 2 B of the Companies (General Rules and Forms) Rules, 1956) with the Company.

By the Order of the Board of Directors
For Anant Raj Industries Ltd.

New Delhi
August 25, 2000

ASHOK SARIN
CHAIRMAN.

Directors' Report

To the Members,

Yours Directors take pleasure in presenting the Fifteenth Annual Report of the Company together with the audited accounts for the year ended, March 31, 2000.

Particulars	For the Year Ended March 31, 2000 (Rs. In lacs)	For The Year Ended March 31, 1999 (Rs. In lacs)
Sales and other income	1850.21	1794.26
Profit before interest, depreciation and claims of financial institutions	48.95	149.53
Interest	—	0.54
Depreciation	85.85	86.42
Claims of financial institution	348.72	1480.40
Loss after interest, depreciation and claims of financial institutions	385.62	1417.83
Prior year adjustment	—	525.68
Provision for taxation	.40	7.28
Loss after tax	386.02	1950.79

One Time Settlement with Financial Institutions

The Company had in the year 1995, reached a settlement for repayment of its long term borrowings from Industrial Financial Corporation of India, Industrial Development Bank of India and Industrial Credit and Investment Corporation of India (Institutions). All payments pursuant to, and in terms of the settlement have been made by the Company. Thereafter, notwithstanding the payment of all amounts due, the institutions demanded a sum of Rs. 366.87 lacs with interest thereon from 01.04.96. The Company filed a suit in the said regard before the Hon'ble Delhi High Court inter alia seeking decree for release of charge on its assets and further restraining the financial institutions from revoking the settlement between the Company and the Institutions. The said suit is pending for disposal. An appeal filed by the Company against vacation of interim injunction was dismissed by Hon'ble High Court of Delhi. Industrial Finance Corporation of India, the lead Institution, revoked the said settlement reached earlier and the Company is therefore exposed to a liability of Rs. 1829.12 Lacs as at the close of financial year under review, payable to the Institutions, out of which a sum of Rs. 1480.40 Lacs was provided in books of account for the year ended March 31, 1999 and balance Rs. 348.72 lacs has been accounted in the books of account for the year ended March 31, 2000. The Company continues to contest the above claim of the Institutions.



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Working Capital facilities from Bank

Pursuant to the repayment of fund based working capital facilities and discharge of obligation of non fund based facilities availed by the Company from its banker, State Bank of India Rewari, Haryana, the Company has requested the bank to release the securities held by the bank, i.e., (a) charge over current assets (b) second charge over fixed assets (c) guarantees.

Reference to BIFR

The Company was declared as a sick industrial company under the sick industrial companies (special provisions) Act, 1985 by the Hon'ble Board for Industrial and Financial Reconstruction. The Company submitted its rehabilitation package for its revival to Industrial Development Bank of India, the operating agency appointed by Hon'ble Board for Industrial and Financial Reconstruction. The rehabilitation package is under appraisal.

Mathura Plant

The LPG Cylinder Manufacturing Plant of the Company Situated at Mathura (U.P.) has yet to Commence Production.

Conservation of Energy Technology Absorption and Foreign Exchange Earnings and Outgo.

A statement containing the necessary information as required under section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is given in Annexure forming part of this Report.

Fixed Deposits

During the period under review, the Company has not invited any fixed deposits from the public in terms of provisions of Section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

Insurance

The Company's properties including Building, Plant and Machineries, Stocks, Stores, etc., have been adequately insured against all risks.

Dematerialisation of Shares

As per the notification issued by the Securities and Exchange Board of India (SEBI), the Company is in the process of admitting its securities for compulsory dematerialisation trading by all classes of investors.

Directors

Shri Vijay Sachdev and Shri Pankaj Nakra retire by rotation from office of Directors of the Company and being eligible have offered themselves for re-appointment.

Particulars of Employees

There was no employee who was employed throughout the year and was in receipt of remuneration which in the aggregate was not less Rs. 6,00,000/- per annum.

There was no employee who was employed for the part of year and was in receipt of remuneration which was at a rate not less than Rs. 50000/- per month.

Acknowledgements

The Directors place on record their appreciation for the assistance, help and guidance provided to the company by the authorities of the Central and State Government, from time to time. The Directors also place on record their gratitude to Employees and Shareholders of the Company for their continued support to and confidence in management of the Company.

For and on Behalf of the Directors
For Anant Raj Industries Ltd.

New Delhi
August 25, 2000

ASHOK SARIN
CHAIRMAN.