

Anant Raj Industries Limited



**Ceramic Tiles
For Floors & Walls**

16th Annual Report 2000-2001



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

GENERAL MANAGER (MARKETING)

Shri Rajinder Mukoo

VICE PRESIDENT (WORKS)

Shri N.S. Rajput

COMPANY SECRETARY

Shri Manoj Pahwa

AUDITORS

B. Bhushan & Co.
 Chartered Accountants
 EC – 13, Inderpuri
 New Delhi – 110012

BANKERS

State Bank of India
 Rewari – 123 401
 Haryana

State Bank of India
 Connaught Place
 New Delhi

CORPORATE OFFICE

H – 65, Connaught Circus,
 New Delhi – 110001

HEAD OFFICE AND SHARE TRANSFER OFFICE

ARA Centre,
 E-2, Jhandewalan Extension,
 New Delhi – 110055

REGISTERED OFFICE AND WORKS

85.2 Km. Stone, Delhi-Jaipur Highway,
 Village Bhudla,
 P.O. Sangwari,
 District Rewari – 123401
 Haryana.



Anant Raj Industries Ltd.

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Saturday, the 29th September, 2001 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, 2001 and the audited Profit & Loss Account of the Company for the year ended on that date and reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri R.S. Sahni who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri R.N.R. Gandhi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 16.09.2001 to 29.09.2001 (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 of Annual General Meeting.
4. The Company's shares have been activated for dematerialisation in National Securities Depository Limited and Central Depository Services Limited and its ISIN No.is INE242C01016.
5. 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.
6. No gifts will be distributed at the venue of the meeting.

By Order of the Board of Directors
for **ANANT RAJ INDUSTRIES LTD.**

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.

New Delhi
July 31, 2001

ASHOK SARIN
CHAIRMAN



Anant Raj Industries Ltd.

Directors' Report

To the Members,

Yours Directors take pleasure in presenting the Sixteenth Annual Report of the Company together with the audited accounts for the year ended March 31, 2001.

Particulars	For the Year Ended March 31, 2001 (Rs. In lacs)	For the Year Ended March 31, 2000 (Rs. In lacs)
Sales and other income	1830.04	1850.21
Profit before depreciation and claim of financial institutions	128.72	48.95
Depreciation	95.05	85.85
Claim of financial institution	224.59	348.72
Loss after depreciation and Claim of financial institutions	(190.92)	(385.62)
Prior year adjustment	1.41	—
Claim of financial institutions written back	1870.20	—
Provision for taxation	.08	0.40
Profit/(Loss) after tax	1577.78	(386.02)

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 (IDBI), the Operating Agency appointed by the Hon'ble Board for Industrial and Financial Reconstruction. The said scheme prepared by IDBI was approved by the Hon'ble BIFR in June 2001, which provided amongst others, payment to secured creditors on one time settlement basis.

In terms of said scheme, the Company has paid the complete amount to the secured creditors and also increased the paid up capital by way of allotment on preferential basis of 30,00,000 equity shares of Rs.10/

- each at par to the promoters of the company.

The Company has accordingly written back in its books of account for the year ended March 31, 2001, the excess amount payable to the secured creditors. The financial results of the company in respect of the year ended March 31, 2001 were published on the basis of the unaudited accounts and in the absence of an approved Rehabilitation Scheme, did not reflect the accounting effect of one time settlement agreed by the secured creditors.

The effect of the said approved Scheme has since been considered in audited accounts for the year ended March 31, 2001, approved by the Board of Directors of the Company on July 31, 2001.

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

The trading in Company's shares in

Anant Raj Industries Ltd.

dematerialised form has commenced during the year under review.

Audit Committee

The Audit Committee, as required under section 292A of the Companies (amendment) Act, 2000, has been constituted. The members of the audit committee are Shri Vijay Sachdev, Shri RNR Gandhi, Directors of the Company and Shri Anil Sarin, Managing Director of the Company.

Corporate Governance Report

As per the listing agreement with stock exchanges, your Company is required to implement various requirements of corporate governance by March 31, 2002. The Company has already initiated necessary steps to implement the requirement of corporate governance.

Directors' Responsibility Statement

Directors confirm:

1. That in the preparation of Annual Accounts, the applicable accounting standards have been followed.
2. That they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period.
3. That they 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;

4. That they have prepared the Annual Accounts on a going concern basis.

Directors

Shri R.S.Sahni and Shri R.N.R.Gandhi retire by rotation from office of Directors of the Company and being eligible have offered themselves for re-appointment.

Auditors

M/s B.Bhushan & Co., Chartered Accountants, Auditors of the Company retire on the conclusion of the ensuing Annual General Meeting and are eligible 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 part of year and was in receipt of remuneration which was at a rate not less Rs. 50,000/- per month.

Acknowledgements

The Directors place on record their appreciation for the assistance, help and guidance provided to the company by the authorities of 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 Board of Directors
For Anant Raj Industries Ltd.

Place : New Delhi
Date : July 31, 2001

Ashok Sarin
Chairman

Anant Raj Industries Ltd.**Annexure To Director's Report**

(Referred in report of even date)

A. Energy Conservation**(i) Energy Conservation measures taken:**

The Company has a regular programme of maintenance of machinery to ensure optimum utilization of energy resources. The management has developed measures and systems to ensure economy in use of number of spray nozzles, which in turn has effected saving on consumption of light diesel oil (LDO).

The Company is also effecting saving on Liquid Petroleum Gas (LPG) by using lesser number of burners to operate its Kilns.

(ii) Additional investment and proposals, if any, being implemented for reduction of consumption of energy.

The Company has developed systems to identify areas for making investment and implementing proposals to reduce consumption of energy resources and their optimum utilisation.

(iii) Impact of measures taken at (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The reduction in consumption of energy resources has resulted in reducing the cost of production of finished goods.

B. Technology Absorption Form - B**1. Specific areas in which R & D carried out by the Company.**

Consumption of indigenous raw materials and spares while continuing to maintain high quality of finished products.

2. Benefits derived as a result of above R&D

Saving of foreign exchange and indigenisation of the product .

3. Future plan of action

To endeavour to manufacture finished

products confirming to International Standards and quality.

4. Expenditure on R&D

The expenditure incurred on research and development activities is intrinsic to the other costs of production and therefore it is not possible to quantify the expenditure separately.

Technology absorption, adaptation and innovation**1) Efforts in brief, made towards technology absorption, adaptation and innovation.**

The imported technological knowhow has been absorbed and adapted by the Company's personnel in the production process.

2) Benefits derived as a result of the above efforts Improved manpower resources and reduction on dependency on foreign technology.**3) In case of imported technology****(a) Technology Imported :**

Manufacture of ceramic glazed floor and wall tiles by use of single fast firing process.

(b) Year of Import
1988-89**(c) Has technology been fully absorbed**
Yes**Foreign Exchange Earnings and outgo****1. Activities relating to exports:**

The exports for the year under review were lower due to the competitive Conditions prevalent in the Export Market.

The company is continuously making efforts to augment its exports, Particularly in Middle East, African and South East Asian Countries.

	Current year (Rs.)	Previous year (Rs.)
2. Foreign Exchange Earnings	25,380,016	25,886,054
3. Foreign Exchange Outgo	37,32,786	52,38,481

Anant Raj Industries Ltd.**AUDITORS' REPORT**

To the members of
Anant Raj Industries Limited

We have audited the attached Balance Sheet of Anant Raj Industries Limited as at March 31, 2001 and the annexed Profit and Loss Account for the year ended on that date, and report that:

We have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for purposes of our audit. In our opinion, proper books of account have been maintained as required by law so far as appears from our examination of those books and the above mentioned accounts are in agreement therewith.

In our opinion, the Profit & Loss account and the Balance Sheet comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.

On the basis of written representations received from the Directors as on 31st March, 2001, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2001, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the balance sheet and profit and loss account, read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and also gives a true and fair view of the state of the Company's affairs as at March 31, 2001 and the Loss incurred by the Company during the year ended on that date.

As required by the Manufacturing and other Companies (Auditors Report) orders 1988, dated 7th September 1988 issued by the Central Government and on the basis of such

checks as we considered appropriate and according to the information and explanations given to us, we further report that:

The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets were physically verified during the year and no material discrepancy was observed upon comparison of the same with the book records.

The fixed assets of the Company have not been revalued during the year.

The inventory of finished goods, stores, spare parts and raw materials were physically verified by the management at reasonable intervals during the year. The verification of raw materials lying in loose form like clay, was carried out based upon parameters of volume and weight.

In our opinion, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

The discrepancies between inventories of physical stocks and books records were not material and have been properly dealt with in books of account.

In our opinion, the valuation of inventories is fair and proper, in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

The company has not taken/granted any interest free loans secured or unsecured from/to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, and/or companies under the same management as defined under section 370 (1-B) of Companies Act, 1956.

Interest free loans or advances in the nature of loans have been given by the Company to