

ANANT RAJ INDUSTRIES LIMITED



17TH ANNUAL REPORT 2001-2002

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

G.M.-OPERATIONS

Shri N.S. Rajpoot

COMPANY SECRETARY

Shri Manoj Pahwa

AUDITORS

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

BANKERS

State Bank of India
 SCO 103-106, Sec17-B
 Chandigarh

State Bank of India
 Rewari - 123 401
 Haryana

State Bank of India
 Connaught Place
 New Delhi

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, Haryana.

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NOTICE

Notice is hereby given that the seventeenth Annual General Meeting of the Company will be held on Monday, the 30th September, 2002 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, 2002 and the 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 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 which shall be exclusive of Service Tax payable at the rates for the time being in force.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution :-

"Resolved that in accordance with the provisions, of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 and subject to all such sanctions/approvals as may be necessary, the Company hereby approves the re-appointment and terms of remuneration payable to Shri Anil Sarin, the Managing Director of the Company for a period of 5(five) years effective from 30-12-2002 and also approves terms and conditions set out in the draft agreement submitted to the meeting and initialled by the Chairman for the purpose of identification which agreement is hereby specifically sanctioned with the liberty to the Board

of Directors to alter and/or vary the terms & conditions of the said appointment and/or agreement so as not to exceed the limits specified the Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed to between the Board of Directors and Shri Anil Sarin".

6. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution :-

RESOLVED THAT pursuant to section 198, 309 read with schedule XIII & other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof, for the time being in force the consent of the Company be and is hereby accorded to payment of remuneration to Shri Pankaj Nakra, Director liable to retire by rotation for a period of 5 years with effect from date of this annual general meeting, subject to his holding office as Director of the Company, as set out in the explanatory statement annexed to the Notice convening this Annual General Meeting, a copy whereof initialled by the Chairman for identification is placed before this meeting, with liberty to the Board of Directors to alter and vary such terms and conditions of remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, or any amendment thereto, as may be agreed to by the Board of Directors and Shri Pankaj Nakra.

By order of the Board
of Directors

New Delhi Manoj Pahwa
August 19, 2002 Company Secretary

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.		General Meeting.
2.	The Explanatory statement pursuant to Section 173(2) is annexed herewith.	5.	Members are requested to bring their copy of Annual Report at the meeting.
3.	The Register of Members and Share Transfer Books of the Company will remain closed from 23-9-2002 to 30-9-2002 (both days inclusive).	6.	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.
4.	All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 9.30 A.M. to 1.00 P.M. upto the date of Annual	7.	Members are requested to notify any change in their registered address immediately to the Company.
		8.	Particulars of Directors seeking re-appointment in the Annual General Meeting.

Name of Director	Sh. Vijay Sachdev	Sh.Pankaj Nakra
Date of Birth	27/08/1950	15/04/1958
Date of Appointment	12/01/1996	30/06/1997
Qualification	B.A.	B.A.
Experience in Specific Functional Area	Business	Business
Audit Committee	Yes	No
Investor Grievance Committee	No	No
Remuneration Committee	Yes	No

Schedule XIII to the Act. The said terms contained in the draft agreement proposed to be entered between the Company and Shri Anil Sarin, subject to the approval of shareholders at the ensuing Annual General meeting of the Company are as follows :

Shri Anil Sarin was re-appointed as Managing Director of the Company effective 30-12-97 for a period of five years. The terms and conditions of his re-appointment were approved by the shareholders at the 12th Annual General meeting held on 30th September 1997. The terms and conditions of appointment are valid till 30-12-2002.

2. PERQUISITES

In addition to the salary as stated above Shri Anil Sarin, Managing Director, shall be allowed the perquisites in accordance with provisions contained in Schedule XIII to the Companies Act, 1956 as reproduced below :-

Shri Anil Sarin has rich experience of management and under his leadership the Company has made excellent progress and the Company has taken up expansion of its operations. In view of over all growth in the size and business activities of the Company, the Board of Directors at its meeting held on 19th August 2002 has proposed the re-appointment of Shri Anil Sarin as Managing Director for a period of five years effective 30-12-2002 on existing terms and conditions within the overall ceiling prescribed in

- i) Contribution to Provident fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961.
- ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.

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- iii) Encashment of leave at end of tenure.
3. He shall not be entitled for any sitting fee for attending the meeting of Board of Directors or any committee thereof.
4. Subject to superintendence, control and direction of Board, Shri Anil Sarin shall perform such duties and exercise such powers as may from time to time be lawfully entrusted and conferred on him by the Board.

The terms & conditions of appointment of Shri Anil Sarin have also been approved by remuneration committee of the Board of Directors.

The Board of Directors recommend the resolution to the members for their approval.

A copy of the draft agreement may be inspected at the Registered office of the company on any working day during the business hours. None of the Directors of the Company except Shri Ashok Sarin, Shri Anil Sarin, Shri R.N.R. Gandhi and Shri Vijay Sachdev, is interested in the resolution.

The above may be treated as on abstract of the terms of appointment as provided under Sec. 302 of Companies Act, 1956.

Item No. 6

Shri Pankaj Nakra, was co-opted as an Additional Director by the Board of Directors on 30-6-97 in pursuance of power vested in it vide Art. 89 of the Article of Association of the Company. His appointment and remuneration as a Director, liable to retire by rotation was approved by shareholders at the 12th Annual General Meeting held on 30th Sept. 1997.

Shri Pankaj Nakra is an eminent person with varied experience in Real Estate Business. He has been associated with Company from inception and has been rendering his full time and resources towards development of business of the Company. The Board considers that continuance of Shri Pankaj Nakra on Board of Directors will be beneficial to the Company. The Board therefore in its meeting held on 19th August 2002, has approved payment of remuneration to Shri Pankaj Nakra on the following terms:

1. BASIC SALARY:- Rs. 20,000 p.m.
HRA 30%

2. PERQUISITES

In addition to the salary as stated above Shri Pankaj Nakra, shall be allowed the perquisite in accordance with provisions contained in schedule XIII to the Companies Act, 1956 as reproduced below :-

- i) Contribution to Provident fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961.
 - ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
 - iii) Encashment of leave at end of tenure.
3. He shall not be entitled for any sitting fee for attending the meeting of Board of Directors or any committee thereof.

The terms & conditions of appointment of Shri Pankaj Nakra have also been approved by the remuneration committee of the Board of the Directors.

A copy of the draft agreement may be inspected at the registered office of the company on any working day during business hour. None of the Director other than Shri Pankaj Nakra is interested in the resolution.

The above may be treated as on abstract of the terms of appointment as provided under section 302 of Companies Act 1956.

The Board of Directors recommend the resolution to the members for their approval.

None of the Directors of the Company except Shri Pankaj Nakra is interested in the Resolution.

The above may be treated as on abstract of the terms of appointment as provided under Sec. 302 of Companies Act, 1956.

By Order of the Board
of Directors

New Delhi
August 19, 2002

Manoj Pahwa
Company Secretary

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**Directors' Report**

To the Members,

Yours Directors take pleasure in presenting the Seventeenth Annual Report of the Company together with the audited accounts for the year ended March 31, 2002.

Particulars	For the Year Ended March 31, 2002 (Rs. in lacs)	For the Year Ended March 31, 2001 (Rs. in lacs)
Sales and other income	1812.11	1830.04
Profit before depreciation	224.28	128.72
Depreciation	86.06	95.65
Claim of financial institution	—	224.59
Profit (Loss) after depreciation and Claim of financial institutions	138.22	(190.92)
Provision for adjustment	—	1.41
Claim of financial institutions written back	—	1270.19
Adjustment for Deferred Tax	55.27	—
Provision for taxation	1.29	3.8
Profit (Loss) after tax	78.75	1677.78

Operations

The Company has registered a improved performance during the year relevant, despite a slight drop in sales. The Company during the year under review, has posted a net profit before tax of Rs.138.22 Lacs against net loss of Rs. 190.92 Lacs (before write back & adjustment) during the last year.

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 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, and is under implementation.

EXPANSION

The Company during the year had initiated steps to expand its production capacity. The expansion is likely to be complete shortly. Term loan from State Bank of India has been availed to part finance the same.

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 -I 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.

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 and Shri R.S.Sahni, Directors of the Company.

Management Discussion & Analysis Report

Management Discussion & Analysis Report is given in Annexure-II forming part of this report.

Corporate Governance Report

As per the requirements of Clause 49 of the Listing Agreement a separate report on Corporate Governance is given in Annexure-III, which forms part of this Report. The Auditors' certificate on compliance under Corporate Governance is also annexed.

Directors Responsibility Statement

Directors confirm:

1. That in the preparation of Annual

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Accounts, the applicable accounting standards have been followed.

receipt of remuneration, which was at a rate not less Rs. 2,00,000/- per month.

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 profit 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.

Acknowledgements

The Directors place on record their appreciation for the assistance, help and guidance provided to the company by the State Bank of India and 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

New Delhi
August 19, 2002

Ashok Sarin
Chairman

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.

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. 24,00,000/- per annum.

There was no employee who was employed for part of year and was in

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**Annexure-I to Director's Report**

(Referred in report of even date)

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

The Company has a regular program of maintenance of machinery to ensure optimum utilization of energy resources. The management has developed measure and system 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**I 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.

II Benefits derived as a result of above R&D

Saving of foreign exchange and indigenisation of the product .

III Future plan of action

To endeavor to manufacture finished products conforming to International Standards and quality.

IV 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**I) Efforts in brief, made towards technology absorption, adaptation and innovation:**

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

II) Benefits derived as a result of the above efforts:

Improved manpower resources and reduction on dependency on foreign Technology.

In case of imported technology:**(I) Technology Imported :**

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

**(II) Year of Import
1988-89****(III) Has technology been fully absorbed
Yes****C. Foreign Exchange Earning and outgo****I Activities relating to exports:**

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