

ARONI COMMERCIALS LIMITED

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23RD ANNUAL REPORT
2007 - 2008

BOARD OF DIRECTORS

Shri Ashwin Kumar Kothari
 Shri Rohit Kothari
 Shri Umaidmal Kala
 Shri Rajnikant Kharpada

BANKERS

HDFC Bank
 State Bank of India
 UCO Bank

AUDITORS

M/s Lalit Mehta Associates
 Chartered Accountants,
 Bharat House, 2nd Floor,
 Mumbai Samachar Marg,
 Mumbai - 400 023.

REGISTERED OFFICE

K. K. Chambers, 4th Floor,
 Sir Purshothamdas Thakurdas Marg,
 Fort, Mumbai - 400 001.

NAGDA OFFICE

Birlagram, Nagda - 456 331
 Madhya Pradesh.

REGISTRAR & SHARE TRANSFER AGENT

INTIME SPECTRUM REGISTRY LIMITED
 C - 13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (West),
 Mumbai - 400 078.

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*23rd Annual Report 2007-2008***NOTICE**

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of **Aroni Commercials Limited** (Formerly Aroni Chemical Industries Ltd) will be held at 29, Bank Street, 1st Floor, Fort, Mumbai-400023 on Saturday, the 27th day of September, 2008 at 5.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008 and Profit and Loss Account and annexures thereto for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Umaidmal Kala, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Rajnikant Khalpada, who was appointed as an Additional Director of the Company on 26th March, 2008 pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a Shareholder proposing the candidature of Shri Rajnikant Khalpada as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 18th August, 2008

ASHWIN KUMAR KOTHARI
CHAIRMAN

REGISTERED OFFICE:

K. K. Chambers,
4th Floor,
Sir Purshottamdas Thakurdas Marg,
Fort, Mumbai- 400 001.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING 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. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Chairman, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
3. The Register of Members and Share Transfer Books will remain closed from Saturday, 20th September 2008 to Saturday, 27th September, 2008 (both days inclusive).
4. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup- (West), Mumbai- 400078 in respect of their physical share folios.
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
7. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of person, seeking re-appointment as Directors under Item Nos. 2 and 4 above, is annexed.
8. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item No. 4 is annexed hereto.

BRIEF RESUME OF PERSONS PROPOSED TO BE RE-APPOINTED AS DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING:

Name	Shri Umaidlal Kala	Shri Rajnikant Kharpada
Date of Birth	14 th September, 1942	10 th December, 1974
Qualification	Bachelor of Commerce	S.Sc
Nature of Expertise	Service	Business
Experience	Experience of over 28 years of Handling Commercial and Management aspects of Organisation.	Experience of over 30 years of trading in various commodities and in Investments.
Name of Companies in which he also holds Directorship	Meenul Metallizing Private Limited	NIL
Name of the Companies in Committees of which holds membership / chairmanship	NIL	NIL
Shareholding in Aroni Commercials Limited	NIL	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No. 4

Shri Rajnikant Khalpada was appointed as an Additional Director of the Company w.e.f. 26th March 2008 and will hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention for appointment of Shri Rajnikant Khalpada as a Director of the Company.

Considering varied experience of Shri Rajnikant Khalpada in field of trading in various commodities and in Investments it will be in the interest of the company to appoint him as a director. Your Director recommends the appointment of Shri Rajnikant Khalpada as a Director.

None of the Directors except Shri Rajnikant Khalpada are interested or concerned in the aforesaid resolution.

For and on Behalf of the Board of Directors

Place : Mumbai
Dated : 18th August, 2008

ASHWIN KUMAR KOTHARI
CHAIRMAN

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*23rd Annual Report 2007-2008***ARONI COMMERCIALS LIMITED****DIRECTORS' REPORT**

The Members,

Your Directors have pleasure in presenting the 23rd Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL HIGHLIGHTS:

Particulars	(Amount in Lacs)	
	Year ended 31.03.2008	Year ended 31.03.2007
Interest Received and other Income	874.53	682.33
Profit before Interest, Depreciation, Extraordinary items and Tax	835.80	653.52
Less: Interest	0.05	0.14
Less: Depreciation	3.26	0.03
Profit before Tax	832.49	653.35
Add/(Less): Provision for Taxation		
a) Current	(86.60)	(68.00)
b) Previous Year	-	(1.06)
c) Deferred Tax Expenses	(1.02)	0.01
d) Fringe Benefit tax	(0.47)	(0.01)
Net Profit after Taxation	744.40	584.29
Balance brought forward from Previous Year	2638.84	2054.55
Profit available for appropriation	3383.24	2638.84
Balance Carried Forward	3383.24	2638.84

Dividend:

Your Directors do not recommend any dividend for the year ended on 31st March 2008 with a view to conserve the resources for future.

Operations & Performance:

During the year ended 31st March, 2008, your Company achieved a total income aggregating to Rs. 874.53 Lacs. After providing for Depreciation, Finance Charges and Taxation, the Company has registered a profit before tax of Rs. 832.49 Lacs. After making provision for tax in respect of current year amounting to Rs. 86.60 Lacs, the profit after tax of Rs. 744.40 Lacs has been carried to the Balance sheet.

Although the Company maintains adequate internal control systems covering all its operation areas, the Company's Audit Committee reviews these internal control systems in detail for their effectiveness and their adequacy in the present scenario. The Directors are putting in their efforts and are hopeful of improved working during the years to come.

*23rd Annual Report 2007-2008***Directors:**

Shri Vasantlal Bhavsar resigned as Director w.e.f. 26th March, 2008. The Board places on record their deep appreciation for the services rendered by Shri Vasantlal Bhavsar during their respective tenure on the Board.

Shri Umaidmal Kala, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Shri Rajnikant Khalpada was appointed as an Additional Director of the Company w.e.f. 26th March 2008 pursuant to Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company. He will hold his office as such till the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the said act from a shareholder proposing the candidature of the said Additional Director for the office of Director of the Company.

A brief profile of Directors proposed to be appointed/ re-appointed is given in the notes to the Notice of the ensuing Annual General Meeting.

Directors' Responsibility Statement:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profit of the Company for the year ended on that date;
- that 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.
- that the annual accounts for the year ended 31st March, 2008 have been prepared on a going concern basis.

Corporate Governance:

A Report on Corporate Governance along with a certificate from M/s. Nishant Jawa & Associates, Company Secretaries in practice, regarding compliance of the requirements of Corporate Governance, as also a Management Discussion & Analysis Report pursuant to Clause 49 of the Listing Agreement with the Stock Exchange are annexed hereto.

Auditors:

M/s Lalit Mehta Associates, Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Members are requested to appoint auditors for the current year and to authorize the Board to fix their remuneration.

Auditors' Report:

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes on Accounts for the year ended 31st March, 2008 are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Public Deposits:

The Company has not accepted any deposits from public.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo:**A] Conservation of Energy and Technology Absorption:**

The Company has not engaged in any manufacturing activity and had no foreign collaboration and also has not imported or exported any goods and services.

B] Foreign Exchange Earnings & Outgo:**(Rs. In Lacs)**

PARTICULARS	2007-2008	2006-2007
Foreign Exchange Earning	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

Particulars of Employees:

The Company does not have any employee in receipt of remuneration equal to or exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

Acknowledgements:

Your Directors take this opportunity to express their gratitude for the support and co-operation from the Investors, Banks and Statutory Authorities. Your Directors express their deep appreciation to the Company's employees at all levels for their unstinted efforts and valuable contributions during the year.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 18th August, 2008

ASHWIN KUMAR KOTHARI
CHAIRMAN

CORPORATE GOVERNANCE REPORT**(A) Company's Philosophy on Code of Corporate Governance**

Aroni Commercials Limited (ACL) is fully committed to and continues to practice good Corporate Governance. The Company believes that proper Corporate Governance generates goodwill among business partners, customers and investors, facilitates effective management and control of business and generates competitive returns for the investors. In addition to the basic governance issues, the Company lays significant emphasis on the principles of trusteeship, transparency, empowerment, accountability and integrity.

(B) Board of Directors**(i) Board Composition**

The composition of the Board is in accordance with the requirements of the corporate Governance code of Listing Agreement with the stock exchanges. The Board of Directors consist of optimal combination of Non-Executive and Independent directors. As on 31st March, 2008 the Board comprised of Four (4) Non - Executive Directors of which Two (2) are Independent. The Chairman of the Board is a Non-Executive Director.

As on the date of this report, the constitution of the Board is as given below:

Director	Executive/Non-Executive/ Independent	Number of other		
		Director-ships*	Committee Memberships#	Committee Chairmanships#
Shri Ashwin Kumar Kothari	Chairman, Non-Executive, Promoter	11	1	2
Shri Rohit A. Kothari	Non-Executive, Promoter	6	—	—
Shri Vasantlal J. Bhavsar (Resigned w.e.f. 26/03/2008)	Non-Executive Independent	—	—	—
Shri Umaidmal Kala	Non-Executive, Independent	—	—	—
Shri Rajnikant Khalpada (Appointed as an Additional Director w.e.f. 26/03/2008)	Non-Executive, Independent	—	—	—

* Other Directorships exclude Directorships held in Private Limited Companies.

Committee of Directors includes Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee of Directors only. Committee Membership do not include Membership in Committee of Directors of ACL.

(ii) Board Meetings and Attendance of Directors

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and quarterly financial results. When necessary, additional meetings are held. The Board meetings are generally held at the Registered office of the Company at Mumbai. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the Directors. Every Board Member is free to suggest the inclusion of items on the agenda.

There were Ten Board Meetings during the year ended 31st March, 2008 i.e. on 10th April 2007, 16th June 2007, 4th July 2007, 31st July 2007, 8th August 2007, 24th August 2007, 24th October 2007, 25th January 2008, 20th February 2008 and 26th March 2008. The Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2007-08 and the last AGM:

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Shri Ashwin Kumar Kothari	10	9	No
Shri Rohit A. Kothari	10	9	Yes
Shri Vasantlal J. Bhavsar (resigned w.e.f. 26/03/2008)	10	9	No
Shri Umaidmal Kala	10	8	No
Shri Rajnikant Khalpada (Appointed as an Additional Director w.e.f. 26/03/2008)	10	0	NA

(iii) Remuneration Policy:

None of the Directors is paid any remuneration or sitting fees. Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

Shares held by Non-Executive Director

Name of the Non-Executive Director	Equity Shares held (No.)
Shri Ashwin Kumar Kothari	2,82,640
Shri Rohit A. Kothari	3,10,005
Shri Vasantlal J. Bhavsar (resigned w.e.f. 26/03/2008)	NIL
Shri Umaidmal Kala	NIL
Shri Rajnikant Khalpada	NIL

(C) Board Committees

To enable better and more focussed attention on the affairs of the corporation, the Board delegates particular matter to committee of the Board set up for the purpose. The committees prepare the groundwork for decision making and report at the subsequent Board meeting. Currently, the Board has two Committees – the Audit Committee and the Shareholders/Investors Grievance Committee. As on date, the Audit Committee comprises of three members of which two Members are Non-Executive Independent Directors and one member is a Non-Executive Director. The Shareholders/Investor Grievance Committee comprises of two Members. The Chairman of the said Committee is a Non-Executive Director.

The Board is responsible for the constitution, co-opting and fixing the terms of reference for Committee members of the said Committees.