

14th
ANNUAL
REPORT
AND
ACCOUNTS
2005-06

Dazzel

DAZZEL CONFINDIVE LTD.

Board of Directors

Shri S.N. Rathi, **Managing Director**

Shri Sharad Mehta, **Director**

Shri Sunil Agrawal, **Director**

Shri Nirmal Kumar Mehta **Director**

Shri Dinesh Kumar Mehta, **Director**

Shri Asha Chhajjer, **Director**

Bankers

UTI Bank Ltd.

Bank of Rajasthan Ltd.

Karnataka Bank Ltd.

Auditors

M/s. R.K. Lokwani & Company

Shop 77, Second Floor, Jhule Lal Market,

Bapu Bazar, Jaipur-302003,

Tel.No. 2573592

Registered Office

“Dazzel House”

B-24, Malviya Nagar, Jaipur-302017 (Raj.)

Phone : 91-141-3247425, 9829187021

Email : dazzel_us@yahoo.com

Corporate Office

206, Rajani Building

569, M.G. Road, Indore (M.P.)

Tel. 0731-3098577,

Email: dazzel_confindive@rediffmail.com

Registrar & Transfer Agent

Alankit Assignments Ltd.

2/E-A, Jhandewalan Extn.

Opp. Hot & Shot Restaurant

New Delhi-110055

Tel. 91-11-23546001, 23610220

NOTICE

Notice is hereby given that the Fourteenth (14th) Annual General meeting of the members of the Company will be held on Saturday, 30th Sept. 2006 at 10.30.a.m. at Registered office "Dazzel House", B-24, Malviya Nagar, Jaipur to transact the following Business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Director's report, together with the Audited Profit and Loss account for the period ended March 31, 2006 and the Balance Sheet as at that date together with the Auditors report thereon.
2. To appoint Director in place of Smt. Asha Chhajer who is liable to retire by rotation being eligible to offer herself for reappointment.
3. To appoint auditors and fix their remuneration. M/s R. K. Lokwani & Company, Chartered Accountants, Jaipur, the retiring Auditors has given to the company notice in writing of their unwillingness to be reappointed and has submitted resignation from the Statutory auditors of the company. M/s Nahar & Company, Jaora Distt. Ratlam, M.P. has consented to act as Statutory auditors of the company and is eligible for appointment.

So to consider and if deemed fit to pass with or without modification the following resolution as ordinary resolution:

"Resolved that M/s R. K. Lokwani & Company, Chartered Accountants, Jaipur, the retiring Auditors of the company shall not be reappointed as he has given to the company notice in writing of their unwillingness to be reappointed and has submitted resignation from the Statutory auditors of the company. And further resolved that pursuant to the provisions of section 224(b) (a) of the Companies Act 1956, M/s Nahar & Company, Jaora be and are hereby appointed to hold office till the conclusion of the next annual general meeting at remuneration as may be decided between M/s Nahar & Company and Board of Directors of the Company."

SPECIAL BUSINESS

4. To consider and if deemed fit to pass with or without modification the following resolution as ordinary resolution:
"Resolved That Shri Nirmal kumar Mehta, who was appointed as Additional Director of the company on 05.01.2006 pursuant to section 260 of Companies Act, 1956 and holds office upto the date of this Annual General meeting be and is hereby appointed as Director of the Company subject to retirement by rotation under Articles of Association of the Company."
5. To consider and if deemed fit to pass with or without modification the following resolution as ordinary resolution:
"Resolved That Shri Dinesh Kumar Gund, who was appointed as Additional Director of the company on 05.01.2006 pursuant to section 260 of Companies Act, 1956 and holds office upto the date of this Annual General meeting be and is hereby appointed as Director of the Company subject to retirement by rotation under Articles of Association of the Company."
6. To consider and if thought fit to pass with or without modification the following resolution as ordinary resolution :

“Resolved that in accordance with the provisions of sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modifications or reenactment thereof and subject to such approvals/consents, if any, approval of the company be and is hereby accorded to the appointment of Shri Satya Narayan Rathi, Direct of the company as Managing Director of the Company for a period of 5 years commencing from (w.e.f.) 05.01.2006 on the terms, conditions including remuneration and perquisites payable to him namely (a) Salary @ Rs, 10000/ Ten thousands per month (b) Perquisites as given in the Agreement dated 05.01.2006 executed between the Company and Shri Satya Narayan Rathi placed before the meeting subject to the maximum allowable limits as prescribed in part 2 of Schedule XIII to the Companies Act, 1956:

- (i) Medical Reimbursement : Expenses incurred for the appointee and the family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
- (ii) Leave Travel Concession : For the appointee and his family , once in a year incurred in accordance with any rules specified by the Company.
- (iii) Club Fees : Fees of clubs subject to a maximum of Two clubs. This will not include admission and life membership fee.
- (iv) Personal Accident Insurance : Premium not to exceed Rs. 4000/ per annum.
- (v) Free use of Telephone at residence for company's business. He shall also be entitled to make personal short distance calls. However long distance calls on personal accounts will be paid by him.
- (vi) Free use of Company's Car and driver for Company's business. However private use of car by him shall be billed by the Company.

“Resolved further

(C) Reimbursement of Expenses:

He shall also be entitled to reimbursement of all expenses actually and properly incurred by him for or in connection with the company's business.

- (D) Remuneration on Termination :** As the appointment may be terminated by giving three months notice in writing on either side, Managing Director be entitled to receive, subject to applicable provisions, if any, of the Companies Act, 1956, the reimbursement of his salary for three months on termination in lieu of notice.”

Resolved further the Board of Director of the Company be and is hereby authorized to take all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to foregoing resolution or otherwise considered by the board to be in the best interest of the company.”

Annexure to the Notice

EXPLANATORY STATEMENT (For Business no. 4, 5 & 6)

(Pursuant to section 173 of the Companies Act, 1956)

4 & 5. Shri Nirmal Mehta and Shri Dinesh Kumar Gund were appointed as additional Directors during the current year on 05.01.2006 in accordance with section 260 of Companies Act 1956 as Shri Vinod Garg and Kum. Kalpana Jain resigned on 05.01.2006 on their personal grounds. Brief Biodata of the above Directors is being submitted with the grounds for inducting them as Directors and how they will be beneficial to the company

1. Shri Dinesh Kumar Gund, B.Sc, having Accounting, Financial, Company Matters Knowledge. 10 years experience.

Shri Nirmal Kumar Mehta, B.Sc. having experience of more than 10 years in Construction projects. Accounting and financial knowledge

Pursuant to section 260 of the Companies Act, 1956, All Above Additional Directors hold office upto the date of that Annual General Meeting and are eligible for appointment as Directors of the company. The company has received separate notices from shareholders under section 257 of the Companies Act, 1956 proposing the name of these additional directors for appointment as Directors of the company.

**EXPLANATORY STATEMENT (For Business no. 6)
(Pursuant to section 173 of the Companies Act, 1956)**

The Company has started its operation in Indore in the field of Construction, Shares trading , Software, Investments of surplus funds etc. In view of the increasing activities and the future expansion program of the company in Indore, your Board of Directors had in their contemplation for some time that services of a Managing Director are necessary to look after the day to day management of company in Indore. Shri Satya Narayan Rathi has been appointed as Managing director for a period of 5 years w.e.f. 05.01.2006 subject to the approval of the shareholders in General meeting. Shri Satya Narayan Rathi B.Com., LL.B. having experience of more than 10 years in Construction projects. Accounting and financial knowledge. He is associated with the company since 06.08.2005 as Director. Shri S. N. Rathi has never been imprisoned or fined under any of the Act specified in part I of revised schedule XIII as per notification no. GSR510(E) dated 14.07.93 nor he has been detained for any period under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act 1974. He is 42 years old and is neither a managing Director nor whole time director/manager of any company or managing partner of any firm. He is not in whole time employment elsewhere. He is a citizen of India and also resident in India. Since the appointment is as per schedule XIII issued vide notification no. GSR510(E) dated 14.07.93 therefore Mr. S. N. Rathi is entitled to be appointed by a resolution to be passed by from the draft agreement placed at the meeting. You will also see that the remuneration by way of salary and perquisites as follows are strictly in conformity with part II of schedule XIII keeping in mind the ceiling limits laid down with respective to effective capital of the company

Date: Sept. 04, 2006

By Order Of The Board

S.N. Rathi
Managing Director

NOTES:

1. A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote on his behalf. A proxy need not be a member of the Company. The instrument appointing proxy should be lodged with the Company at least 48 hours before the time fixed for the commencement of the meeting.
2. Members are requested to notify immediately any change in their address to the Company.
3. The register of members and share Transfer Books of the Company shall remain closed from Saturday, 23rd Sept. 2006 to Saturday, 30th Sept., 2006 both days inclusive.

Date: Sept. 04, 2006

By Order Of The Board

S.N. Rathi
Managing Director

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting 14th annual report together with audited statement of the account for the year ended March 31, 2006.

FINANCIAL RESULTS

PARTICULARS	2005-06	2004-05
Sales & Other income	21513228	6343706
Profit/(Loss) before tax & Depreciation	499409	85308
Depreciation as per Companies Act.	153690	116797
Provision for taxation	162000	0
Provision for deferred Tax liability	31634	0
Profit/Loss carried forward to balance sheet	152085	-31489

DIVIDEND

This was the 13th full year of operation and the company has nominal profits of Rs. 152085/-. So the directors do not recommend dividend on equity shares.

OPERATIONAL REVIEW

Results for the year under report are showing Net Profit of Rs.3.46 lacs. Many operations including Information Technology related business such as software development, computer education, portal launching etc. have been streamlined within the company. With the measures put in place for increasing sales growth and margins, barring unforeseen circumstances, the company expects better performance in 2006-07. Company has established its corporate office in Indore for expanding business activities of the company on 06.08.2005. The company has commenced construction of multi story complexes in Indore.

PERSONNEL

None of the employees has drawn remuneration exceeding the prescribed limit. Hence, the information under sub-section 2(A) of section 217 of the Companies Act, 1956 read with the companies (Particulars of Employees) Rule, 1975 for the year ended 31st March 2006 is Nil.

MANAGING DIRECTOR

The Company has started its operation in Indore in the field of Construction, Shares trading, Software, Investments of surplus funds etc. In view of the increasing activities and the future expansion program of the company in Indore, your Board of Directors had in their contemplation for some time that services of a Managing Director are necessary to look after the day to day management of company in Indore. Shri Satya Narayan Rathi has been appointed as Managing director for a period of 5 years w.e.f. 05.01.2006 subject to the approval of the shareholders in General meeting. Shri Satya Narayan Rathi B.Com., LL.B. having experience of more than 10 years in Construction projects. Accounting and financial knowledge. He is associated with the company since 06.08.2005 as Director.

DIRECTORS

Smt. Asha Chhajera retires by rotation and being eligible offer herself for reappointment.

Shri Nirmal Kumar Mehta and Shri Dinesh Kumar Gund were appointed as additional Directors during the current year on 05.01.2006 in accordance with section 260 of Companies Act 1956 as Shri Vinod Garg & Kum Kalpana Jain resigned on their personal grounds. . The Company has received separate notices for all above additional Directors u/s 257 of the Companies Act, 1956 for the appointment of Shri Nirmal Kumar Mehta and Shri Dinesh Kumar Gund as Directors of the Company. Brief Biodata of the above Directors is being submitted with the grounds for inducting them as Directors and how they will be beneficial to the company :

1. Shri Dinesh Kumar Gund, B.Sc., having Accounting, Financial, Company Matters Knowledge. 10 years experience.

Shri Nirmal Kumar Mehta B.Sc. having experience of more than 10 years in Construction projects. Accounting and financial knowledge.

CORPORATE GOVERNANCE

A report on corporate Governance and Auditors' Certificate certifying conditions of Corporate governance as stipulated by SEBI in clause 49 of the Listing Agreement has been provided in the Annual Report

AUDITORS

M/s.R.K. Lokwani & Co., Chartered Accountants, Jaipur hold office until the conclusion of the ensuing A.G.M. and he has given to the company notice in writing of their unwillingness to be reappointed and has submitted resignation on their personal ground from the Statutory auditors of the company. M/s Nahar & Company, Chartered Accountants, Jaora Dist Ratlam M.P. has consented to act as Statutory auditors of the company if appointed in AGM are recommended for appointment.

Particulars as required (Disclosure of particular in the report of director) Rule 1988 are as follows:-

- a. **Energy Conservations:-** Company's operation are not energy intensive however discipline to switch off lights and machine tools has been maintained.
- b. **Technology Absorption:-** The company has not obtained any foreign technology. The indigenous technology has been adopted and R&D in low cost housing is in progress.
- c. **Foreign Exchange earning and outgo - NIL.**

INDUSTRIAL RELATIONS

Your company continued to maintain harmonious and cordial relations with its employees working in all its division which enabled it to go achieve credit on all fronts. The Directors wish to place on record services and sincere efforts made by the employees of the company.

ANNEXURE TO THE DIRECTORS REPORT

Directors' responsibility statement pursuant to the provisions of section 217(2aa) of the companies act 1956 and forming part of the directors' report for the year ended 31st March 2006

The statement of the directors responsibility on the annual accounts of the company for the year ended 31st March 2006 is given below

- i. That in preparation of annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departure
- ii That the directors have selected such accounting policies and applied them consistently and made judgement 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 2006 and of the profit of the company for the year ended 31st March 2006
- iii That the directors have taken proper and sufficient care for the maintenance of adequate accounting reports in accordance of the companies act, 1956 in safeguarding the assets of the company and preventing and detecting other irregularities.
- iv That they prepare the annual accounts on going concern basis.

Date: Sept. 04, 2006

By Order Of The Board
S.N. Rath
Managing Director