

ELF TRADING AND CHEMICALS MANUFACTURING LIMITED

NOTICE

NOTICE is hereby given that the Twenty - Ninth Annual General Meeting of the Members of Elf Trading and Chemicals Manufacturing Limited will be held on Tuesday, 31st August 2010 at 3.00 P.M. at the Registered Office of the Company at 202/203 Magnum Opus, Shantinagar Industrial Estate, Vakola, Santacruz (East), Mumbai 400 055 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March 2010 and Audited Balance Sheet as at that date and the report of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Shashikant M Limdi who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Shailesh C Choksi who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.
6. To appoint Mr. Bhupendra K. Shroff, Company Secretary in practice, as Secretarial Auditor and to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass, with or without modification (s), the following resolution as **special resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 310 and any other applicable provisions of the Companies Act, 1956 read with rule 10(B) of Companies (Central Government) General Rules and Forms, 1956, the sitting fees of each Director, attending a Board Meeting, be increased and liberty to the Directors be sanctioned to alter or increase the sitting fees upto Rs. 10,000/- to each Director per meeting.

8. To consider and if thought fit, to pass, with or without modification (s), the following resolution as **special resolution**:

RESOLVED THAT for the words “The remuneration of each director for attending the meetings of the Board or Committee thereof shall be such sum not exceeding Rs. 250 (Rupees Two Hundred and Fifty) as may from time to time be fixed by the Board for each such meeting of the Board or Committee thereof attended by him” in Article 90 of the Articles of Association of the Company be and is hereby substituted with the word “The remuneration of each director for attending the meetings of the Board or Committee thereof shall be such sum not exceeding Rs. 10,000/- (Rupees Ten Thousand) as may from time to time be fixed by the Board for each such meeting of the Board or Committee thereof attended by him”

By the Order of the Board
For **ELF Trading and Chemicals Manufacturing Limited**

Mumbai
Date: 30th July 2010

Sd/-
(ASHISH A CHOKSI)
CHAIRMAN

Registered Office:
202/203, Magnum Opus,
Shantinagar Industrial Estate,
Vakola, Santacruz (East), Mumbai - 400 055

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The relative explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the special business set out above is annexed hereto.
3. Register of Members and Transfer Books of the Company will remain closed during Saturday, 28th August 2010 to Tuesday 31st August 2010 (both days inclusive) in connection with Annual General Meeting.
4. The Equity dividend for the year ended 31st March 2010 as recommended by the Board, if sanctioned at the meeting, will be paid on or after 2nd September 2010, to those members whose names appear in the Company's Register of Members on 31st August 2010.
5. Pursuant to the provisions of Section 205A (5) and Section 205C of the Companies Act, 1956, dividend for the financial year ended 31st March 2003 and thereafter which remains unclaimed or unpaid for a period of 7 years from the date they became due for payment, will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government. Shareholders who have not so far encashed the dividend cheques are requested to seek revalidation of the same.

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

Item No. 7 & 8

It is proposed to increase the sitting fees payable to the Directors for attending the meeting of Board or Committee.

In terms of Article 90 of the Articles of Association of the Company the maximum remuneration payable to the Directors by the way of sitting fees shall not exceed Rs. 250/- per meeting attended by the Directors. The Directors are at present getting Rs. 150/- as sitting fees for every meeting of the Board attended by them.

In view of increasing responsibilities on the Directors of the Company through various enactments, the Directors have to exert increasingly more cautious attitude and greater vigilance in the affairs of the management of the Company. Your Directors, who are not in the whole time employment of the Company, do not get any other remuneration other than by the way of sitting fees. Under the circumstances, it was considered fair that the remuneration by the way of sitting fees be increased so as to commensurate with the responsibilities shouldered by them.

The Directors of your Company are interested in this resolution to the extent of remuneration proposed to be paid to them by the way of sitting fees.

By the order of the Board
For **ELF Trading & Chemicals Manufacturing Limited**

Sd/-
(**ASHISH A CHOKSI**)
CHAIRMAN

Mumbai
Date: 30th July 2010

DIRECTORS' REPORT

The Members,
ELF TRADING AND CHEMICALS MANUFACTURING LIMITED

Your Directors having pleasure in presenting the Twenty – Ninth Annual Report together with audited Statement of Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS:

Net profit before tax

Less: Provision for taxation

Less : Security transaction tax paid

Net profit after tax

Add: Balance brought forward from last Balance Sheet

Add: Adjustment of income/expenses of earlier years

Less: Adjustment of taxes for earlier years

Add/(Less): Provision for diminution in value of investments

AMOUNT AVAILABLE FOR APPROPRIATION

APPROPRIATIONS:

Dividend

Corporate Dividend Tax

Transfer to General Reserve

Balance carried to Balance Sheet

| 2009-2010 | 2008-2009 |
|--------------------|--------------------|
| Rs. | Rs. |
| 44,56,538 | 13,55,578 |
| - | - |
| (1952) | (908) |
| 44,54,586 | 13,54,670 |
| 1,84,98,950 | 1,33,36,908 |
| (9,498) | 2,521 |
| - | (2,00,291) |
| 6,09,128 | (6,01,792) |
| 2,35,53,167 | 1,38,92,016 |
| | |
| 3,74,400 | 3,74,400 |
| 62,188 | 63,629 |
| 4,50,000 | 1,40,000 |
| 2,26,66,579 | 1,33,13,987 |
| 2,35,53,167 | 1,38,92,016 |

OPERATION:

During the year under review, the Company has sold 179.06 MTs of various products earning revenue of Rs.82.95 lacs against previous year sales of 250.60 MTs earning revenue of Rs. 129.84 lacs.

DIVIDEND:

The Directors recommend for payment of dividend for the year ended 31st March 2010, of Rs. 2.00/- per Equity Share on 1,87,200 Equity Shares of Rs.10/- each absorbing Rs. 4,36,588/- (including corporate dividend tax of Rs. 62,188/-) to the shareholders who hold the shares as on 31st August 2010

AMALGAMATION OF M/S JATAYU INVESTMENTS LIMITED:

Hon'ble High Court of Mumbai vide their order dated 16th October 2009 approved the scheme of amalgamation of M/s. Jatayu Investments Limited, a wholly owned subsidiary of the Company with our Company with effect from 1st April 2009. Consequently the accounts of the Company include the accounts of M/s. Jatayu Investments Limited for the year 2009 – 2010. Hence the figures of the previous year are not comparable with the current year.

The details of the accounting treatment of the amalgamation/merger are explained in Note No. 1 (O) to the Notes to Accounts (Schedule J)

PREFERENCE SHARES:

Company had issued 9,00,000 8% Cumulative Redeemable Non Convertible Preference Shares of Rs. 10/- each by the virtue of special resolution passed by the members of the Company in their Extra Ordinary General meeting held on 12th April 2010. The funds raised were utilized for the purpose for which these Preference Shares were issued. Since the profit

as aforesaid mentioned is as on 31st March 2010 before the allotment of Preference Shares, these shares are not eligible for dividend this year.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public.

EMPLOYEES:

There are no employees drawing any remuneration over Rs. 2,00,000/- per month or Rs.24,00,000/- per annum.

RETIREMENT OF DIRECTORS:

Mr. Shashikant M Limdi and Mr. Shailesh C Choksi retire by rotation and being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed:

- a) That in preparation of the accounts for the financial year ended 31st March 2010, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year and of Profit and Loss of the Company for the year ended under review;
- c) 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;
- d) That the Directors have prepared the accounts for the financial year ended March 31, 2010 on a "going concern" basis.

AUDITORS' REPORT:

With reference to the note referred by the Auditors, the Company till now had considered various companies referred to in the notes, as companies under the same management / group. Based on the legal opinion on section 370 of the Companies Act 1956, companies referred to in the notes cannot be considered as companies under the same management / groups.

AUDITORS:

The Company's Auditors M/s. Kamlesh T. Mody & Company, Chartered Accountants, Mumbai, retires at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

Your Directors recommend their appointment for the ensuing year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has no manufacturing activity and therefore, the particulars required to be furnished by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in so far as it relates to the conservation of Energy and Technology Absorption

is not applicable. The Company had no Foreign Exchange Earnings & Outgo during the year. The Directors of the Company keep themselves updated by participating in technical seminars and reading published articles. There was no expenditure on research during the year.

COMPLIANCE CERTIFICATE:

Your Company does not attract the provisions pertaining to Corporate Governance as stipulated under Clause 49 of Listing Agreement with the Stock Exchange, Mumbai, therefore the question of obtaining a certificate from Auditors of the Company does not arise.

The Board of Directors has taken cognizance of the 'Voluntary Guidelines on Corporate Governance issued by the Ministry of Company Affairs (MCA) in December 2009. These guidelines are recommendatory in nature. The Board would consider adopting the relevant provisions on the said guidelines to the extent applicable as and when deemed appropriate.

SECRETARIAL COMPLIANCE CERTIFICATE:

In accordance with the provisions of Section 383A of the Companies Act, 1956, a certificate from Mr. Bhupendra K. Shroff, Practising Company Secretary, certifying that the Company has complied with all the provisions of the Companies Act, 1956 is given as the annexure and forms part of this report.

By the Order of the Board
For **ELF Trading and Chemicals Manufacturing Limited**

Sd/-
(ASHISH A CHOKSI)
CHAIRMAN

Mumbai
Date: 30th July 2010

ADDITIONAL SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING

Date: Tuesday, 31st August 2010

Venue: 202/203, Magnum Opus, Shantinagar, Vakola, Santacruz (E), Mumbai 400055

Time: 3.00 p.m.

FINANCIAL CALENDER

Financial year: 1st April to 31st March

For the year ended 31st March 2010, results were announced on:

- Wednesday, 29th July 2009 : First Quarter
- Friday, 30th October 2009 : Half Yearly
- Wednesday, 27th January 2010 : Third Quarter
- Friday, 14th May 2010 : Fourth Quarter

For the year ending 31st March 2011, results will be announced on:

- On or around Friday, 30th July 2010 : First Quarter
- On or around Friday, 29th October 2010 : Half Yearly
- On or around Friday, 28th January 2011 : Third Quarter
- On or around Friday, 13th May 2011 : Fourth Quarter
- On or around Monday, 30th May 2011 : Annual

Book Closure

The dates of Book Closure are from Saturday, 28th August 2010 to Tuesday 31st August 2010 (both days inclusive).

Dividend Date

A dividend of Rs. 2.00/- (20%) per share has been recommended by the Board of Directors, subject to approval from the shareholders at the Annual General Meeting and will be paid on or after 2nd September 2010.

Listing

The Company's shares are listed on Bombay Stock Exchange, Mumbai. The Stock Exchange code assigned to your Company's shares at The Stock Exchange, Mumbai is 4387.

Distribution of shareholding by ownership

As on 31st March 2010

| Category | No. of Shares held | Percentage of Shares held % |
|-------------------------------------|-----------------------|-----------------------------------|
| Directors, relatives and associates | 137600 | 73.50 |
| Individuals | 49600 | 26.50 |
| Domestic Companies | 0 | 0.00 |
| Total | 187200 | 100.00 |

Distribution of shareholding by number of shares held*As on 31st March 2010*

| No. of equity shares held | No. of shareholders | % of shareholders | No. of shares | % of shareholding |
|----------------------------------|----------------------------|--------------------------|----------------------|--------------------------|
| 1 - 100 | 0 | 0 | 0 | 0.00 |
| 101 - 200 | 16 | 24.24 | 3200 | 1.71 |
| 201 - 500 | 14 | 21.21 | 5800 | 3.10 |
| 501 - 2000 | 20 | 30.30 | 26300 | 14.05 |
| 2001 - 5000 | 10 | 15.15 | 35800 | 19.12 |
| 5001 - 10000 | 1 | 1.52 | 5016 | 2.68 |
| 10001 and above | 5 | 7.58 | 111084 | 59.34 |
| | | | | |
| TOTAL | 66 | 100 | 1,87,200 | 100 |
| | | | | |

Details of public funding obtained during the last three years

Your Company has not obtained any public funding in the last three years.

Number and nature of complaints

There are no shareholder complaints received or lying unresolved during 2009 – 2010. The entire shares of the Company are in physical form.

AUDITORS' REPORT

TO THE MEMBERS OF ELF TRADING & CHEMICALS MFG. LTD.

We have audited the attached Balance Sheets of ELF TRADING & CHEMICALS MFG. LTD. ('the Company') as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of materials misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order 2004 (together the 'order'), issued by the Central Government of India in terms of Section 227(4A) of the Act, and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above and *subject to Note No.2 in schedule J of the audited accounts pertaining to provisions of Section 45 IA of Reserve Bank of India Act*, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- c. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the books of accounts ;
- d. in our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. on the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2010 from being appointed as director under clause (g) of sub-section (1) of Section 274 of the Act;
- f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and Notes thereon *and in particular Note No.2*, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii. in the case of the Profit and Loss, of the profit of the Company for the year ended on that date; and

- iii. in case of Cash Flow statement, of the cash flows of the Company for the year ended on that date.

**For Kamlesh T. Mody & Co.
Chartered Accountants
FRN : 104690W**

**Sd/-
Kamlesh T. Mody
Proprietor
Membership No. 32170**

Place: Mumbai

Date: 30th July 2010