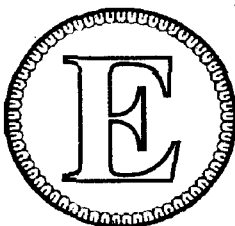


**14<sup>th</sup>**

**Annual Report**

**2005 - 2006**



**ENRICH**  
**INDUSTRIES LIMITED**



# ENRICH INDUSTRIES LIMITED

**BOARD OF DIRECTORS**

Mr. Jayesh R. Mor	Chairman & Managing Director
Mr. Gaurang Vora	Director
Mr. Parag G. Khandekar	Director
Mrs. Kalpana Mor	Director
Mr. Kulin B. Vyas	Director

**AUDITORS** M/s. J. K. Parmar & Co.  
Chartered Accountants  
Ahmedabad.

**BANKERS** (1) The Suvikas Pepoles Co-Op. Bank Ltd.  
C. G. Road Branch, Ahmedabad - 380 009.

(2) ICICI Bank, Ahmedabad.

**REGISTERED OFFICE** 105, Sahajanand Complex,  
Adarsh Society, B/h. Bhagwati Chambers,  
Swastik Char Rasta, Ahmedabad - 380 009.

**Shares Transfer Agent** M/s. SHAREPRO SERVICES  
Satam Estate, 3rd Floor,  
Cardinal Gracious Road, Chakla,  
Andheri (E), Mumbai - 400 099.  
Tel - 022 - 28215168 / 28329828

**NOTICE**

Notice is hereby given that the Fourteen Annual General Meeting of the Member of ENRICH INDUSTRIES LIMETED will be held on Saturday the 30th September, 2006 at 11.00 A.M. at 105, Sahajanand Complex, Adarsh Society, B/h Bhagwati Chambers, Swastik Char Rasta, Ahmedabad – 380009 to transact the following business :-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the period ended on 31st March, 2006 and the Balance Sheet as on the said date together with 'Auditors' and 'Directors' Report thereon.
2. To appoint a Director in place of Mr.Kulin B.Vyas retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
4. To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution :  
 "RESOLVED that pursuant to guidelines issued by Securities and Exchange Board of India for delisting of equity shares, approval of the members of the company be and is hereby accorded to delist its equity shares from Ahmedabad Stock Exchange Limited."  
 "Resolved further that for the purpose of giving effect to the above resolution the board of directors of the company be and are hereby authorized to take all actions including applying to the above referred Stock Exchange, for obtaining their permission to delist equity shares of the company, as and when they deem fitting."
5. To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution :

"Resolved that in accordance with the provisions of Section 198, 269, 309 read with schedule XIII and all other applicable provisions if any, of the Companies Act, 1956, Mr. Jayesh R. Mor be and is hereby re appointed as Chairman and Managing Director of the Company for a period of 5 years from 29/08/2006 on such payment of remuneration and conditions as mentioned below:-

1. That Shri Jayesh R.Mor shall act as Managing Director and hold the office of the Managing Director for a period of 5 years from the date of appointment (i.e. from 29/08/2006 to 28/08/2011) or until he resigns within the said period.
2. The Remuneration of Managing Director has been agreed as under :-

- Salary : ( Rs.25.000-5000-45000 ) Per Month ( Rupees Twenty Five Thousand Only) with increment of Rs.5000 every year in a monthly salary maximum upto Rs.45000/-
- Commission : 1% of the net profits of the Company computed in the manner laid down in Section 309 (5) of the Companies Act 1956 subject to a ceiling of 100% of the annual salary.
- Professional Fee : He may be paid consultancy fees for prof. services to be rendered by him but maximum of Rs. One Lac p.a.
- Perquisites : Perquisites shall be allowed in addition to salary/commission.



## ENRICH INDUSTRIES LIMITED

### CATEGORY "A"

This will comprise housing, medical reimbursement, leave travel concession, club fees and other benefits allowances expenses etc.

These may be provided as under:-

#### I. Housing :

- (a) The expenditure incurred by the Company on hiring unfurnished accommodation subject to a ceiling of Sixty percent of the salary.
- (b) In case the accommodation is owned by the Company ten percent of the salary of the appointee shall be deducted by the Company.
- (c) In case no accommodation is provided by the Company the appointee shall be entitled to house rent allowance subject to the ceiling laid down in Housing.

#### II. Payment of gas, electricity, water expenses and furnishing to be valued as per Income-tax Rules 1962.

#### III. Medical Reimbursement : Medical expenses incurred for self and the family subject to a ceiling of one month's salary over a period of three years.

#### IV. Leave Travel Concession: For self and family one time in a year incurred in accordance with the rules of the Company.

#### V. Club Fees: Fees of Clubs subject to a maximum of two clubs. Admission and life membership fees to be paid as per the rules of the Company.

#### VI. Personal Medical/Accident Insurance: Personal Accident Insurance of an amount the annual premium of which shall be paid as per rules of the Company.

#### VII. Any other benefits facilities allowances and expenses as may be allowed under Company rules/schemes and available to other employees.

- Note: (i) For the purpose of perquisites state hereinabove "family" means spouse dependent children and dependent parents of the appointee.
- (ii) Perquisites shall be evaluated as per Income-tax Rules wherever applicable and in the absence of any such rule perquisites shall be evaluated as actual cost.

### CATEGORY "B"

- (i) Contribution to Provident Fund Superannuation Fund or Annuity fund if any payable will not be included in the Computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.
- (ii) Earned/Privilege Leave on full day and allowances as per the rules of the Company.
- (iii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

### CATEGORY "C"

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites.

3. The appointee shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.
4. The appointee subject to the applicable provision of Companies Act 1956 be also eligible for Housing Loan or other facilities as applicable in accordance with the rules of the Company.
5. The above remuneration payable to Shri Jayesh R. Mor is subject to the condition that the total remuneration including all the perquisites as mentioned at 'A' 'B' and 'C' above shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all



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the Managing Directors/Whole time Directors as calculated in accordance with Section 198 and 309 of the Companies Act 1956 or any amendment thereto or any other provisions as may be applicable.

6. In the event of absence or inadequacy of profits in any financial year Shri Jayesh R. Mor will be paid the above salary as minimum remuneration and in addition thereto the perquisites not exceeding the limits specified under section II of Part II of Schedule XIII of the Companies Act 1956.
7. The terms and condition of appointment and remuneration given herein may be altered and varied from time to time by the Board of Directors of the Company as it may at its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act 1956. (including any statutory modification or reenactment there of for the time being in force) or any amendments made thereto from time to time.
8. The appointment may be terminated by either party giving to the other 3 months notice in writing or lesser notice as may be agreed to. In the event of termination of appointment by the Company, the appointee shall be entitled to receive Compensation in accordance with the provisions of Companies Act 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and things as in its absolute discretion it may be considered necessary expedient or desirable including power to sub-delegate, in order to give effect to the foregoing resolution or otherwise considered by the Board to be in the best interest of the Company including grant of more than more increment in any year as it may deem fit.

RESOLVED FURTHER THAT in the event of any other relaxation by the Central Government in the guidelines or ceilings on managerial remuneration the Board of Directors be and is hereby authorized to increase the remuneration and /or perquisites to wholetime Directors in its absolute discretion within such guidelines or ceilings and consent of the Company as required under various applicable provision of the Companies Act 1956 be and is hereby granted."

For and on behalf of the Board  
For, ENRICH INDUSTRIES LIMITED

DATE : 29/08/2006  
PLACE: AHMEDABAD

[JAYESH R. MOR]  
Chairman

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy should however be deposited at Registered Office of the company at least 48 hours before the time of meeting.
3. Register of Members and Share Transfer Books will remain closed from 20th September, 2006 to 30th September, 2006 (both days inclusive)



## **ENRICH INDUSTRIES LIMITED**

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

#### **Item No : 4**

The company's equity shares are listed at Bombay stock exchange limited and Ahmedabad Stock Exchange Limited. It has been witnessed that the trading of equity shares of the company on Ahmedabad Stock Exchange Limited in the past few years has been negligible. The Securities and Exchange Board of India has issued necessary guidelines on delisting of equity shares, which permit the companies desirous of delisting its equity shares to do so without offering exit route to the investors provided the company has listing of its equity shares on Stock Exchanges having nationwide trading terminals.

Now with the nationwide connectivity available to the investors of the company, with terminals of BSE in every state and city and also as part of company's cost reduction measures, the board of Directors of the company has proposed to delist the equity shares of the company from Ahmedabad stock exchange limited at an appropriate time in future. This will not jeopardize the interest of the investors in Ahmedabad, since the city is connected with terminals of BSE.

The proposed resolution is for the approval of the members to meet this objective.

None of the directors of the company is in any way interested or concerned in this resolution.

#### **Item No : 5**

The term of Shri Jayesh R. Mor as Managing Director of Company is already expired but looking to his experience, expertise, knowledge and performance the board of directors of the Company has re-appointed him in their meeting held on 29.08.2006 for a further period of 5 years from 29.08.2006 to 28.08.2011 with remuneration of Rs. 25000/- p.m. with annual increment of Rs.5000/- and other perquisites as mentioned in special business No. 5, he may be paid professional fees for professional services in absence of remuneration is not taken by him but maximum of Rs. one lac P.a. as he is qualified Chartered Accountant.

As per the provisions of Section 198,269 & 309 and Schedule XIII of the Companies Act,1956, the re-appointment and payment of remuneration to Shri Jayesh R. Mor as Managing Director requires the approval of the members in the General Meeting. Therefore your Directors recommend the resolution for your consideration and approval.

Non of the directors except Shri Jayesh R. Mor and Smt. Kalpana J. Mor are deemed to be concerned or interested in the resolution.

**By Order of the Board of Directors**

**Date : 29/08/2006**  
**Place : Ahmedabad**

**Jayesh R. Mor**  
**Director.**





## DIRECTORS' REPORT

Dear Shareholders

The Directors present their fourteen Annual Report and Audited Statement of Accounts for the Year ended on 31st March 2006.

FINANCIAL RESULTS	Year ended	(Rs. in Lacs)
	31st March 2006	Year ended 31st March 2005
Income from Operations	318.96	345.53
Profit/Loss Before Tax	(-) 4.09	(-) 5.23
Provision for Tax	NIL	NIL
Profit/Loss after Tax	(-) 4.09	(-) 5.23

### OPERATIONS :

The Company was formed with the main objects to carryout the financial activities. As happened with all N.B.F.C. Companies in whole India, this company is also not an exception and recovery from loanees became quite difficult & most of accounts become bad.

Considering the above facts, the company had stopped majority of financial activities since year 1999; the management is only trying to recover the loan amounts from loanees either by way of compromise or through courts. Due to shortage of funds & mounting of non-performing assets of our company, management could not perform very well in other areas of business. The company has continuous cash loss since last 3 - 4 years hence very difficult to expand its business in new areas however; the promoters are trying to exploit the new avenues where less finance is required. Looking to revival in Indian Economy since year 2004, the management has decided to enter new area of business by way of merger of business with other lucrative companies. The management is finding new areas for profitable business. Therefore new directors to be inducted in the Board of directors who are dynamic, young, and will guide the management for new business. The management is very much hopeful for revival of the company in near future.

### DIVIDEND :

Since the company has made Net Loss **Rs. 4.09 Lacs** during the year. Your directors are unable to recommend the dividend for the year under review.

### DEPOSITS :

The company has not accepted any new deposits from the public.

### FUTURE PLANS :

The company tends to continue to increase the trading activities with full-fledged efforts to recover the outstanding dues from the parties of Loans/Advances Accounts of financial activities. Gradually the management wishes to diversify into lucrative business. Looking to the future economy scenario, and revival of the company, the management is finding new avenue of business through merger/amalgamation with the company who has lucrative business.

### DIRECTORS' RESPONSIBILITY STATMENT :

- In the preparation of the annual accounts, the applicable accounting standards have been followed;



## **ENRICH INDUSTRIES LIMITED**

- II. Appropriate accounting policies have been selected and applied consistently and have 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 at the end of the financial year and Loss of the company for the year under review.
- III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- IV. The annual accounts have been prepared on a going concern basis.

### **AUDIT COMMITTEE :**

The company has constituted Audit Committee, which comprises of two independent directors and a Managing Director of the company.

### **AUDITORS' REPORT :**

The comments of the auditors in the report are self explanatory however management would like to explain that all efforts are being put for recovery from the loanes, hence only few account of Bad debts are written off in the accounts.

### **AUDITORS :**

M/s. J. K. Parmar & Co. Chartered Accountants, Ahmedabad retires at the conclusion of the ensuing Annual General Meeting and are eligible, offer them selves for re-appointment. The certificate has been obtained from them for their re-appointment, if made, shall be in accordance with the provisions of Section 224 (1 B) of the companies Act, 1956.

### **EMPLOYEES :**

None of the employee of the company were in receipt remuneration in excess of Rs. 1,00,000/- p.m. and hence information pursuant to the provisions of section 217 (2 A) of the companies Act, 1956, read with companies (Particulars of Employees) Rules. 1975 not required to be furnished.

### **STOCK EXCHANGE LISTING & COMPLIANCE :**

Company has paid listing fees of Ahmedabad Stock Exchange up to 31.03.2001 and Mumbai Stock Exchanges up to current year where the shares of the company are listed for trading. Necessary majority of compliance as per listing agreement are made from time to time.

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

Since the company is not engaged in any manufacturing activity the information under conservation of energy. Technology absorption is not applicable. There has been no foreign exchange earning or outgo in respect of the company.

For and on behalf of the Board

DATE : 29/08/2006.  
PLACE : AHMEDABAD.

[JAYESH MOR]  
CHAIRMAN & MANAGING DIRECTOR