

**ANNUAL REPORT 2005 - 2006****Board of Directors**

Mahavir N Sundrawat, CMD

Mayur M Sundrawat

Jayesh R Patel (Independent)

Sanjay M Devediya (Independent)

**Auditor****Ms, Surendra Kumar Jain & Company**

Chartered Accountants

201, Rajshree Avenue "A" Nr. Dinesh Hall,

Ashram Road, Ahamadabad, Gujrat

**Banker's**

State Bank of Bikaner &amp; Jaipur

**Registered Office**

4 &amp; 5, Near Advani Oeirlicon,

L B S Marg, Bhandup (W), Mumbai-400078

Phone : (022) 25968006, 25964268

**Works**

5 &amp; 6 (A), Road No 04, Dahod Road, Inds. Area,

Banswara, Rajasthan-327001

Phone : (02962) 242126, 248049

**Registrar****MS, PURVA SHAREGISTRY (I) P LIMITED,**

09, Shivshakti Industrial Estate,

Ground Floor, Sitaram Mills Compound,

J R BORICHA Marg, Lower Parel, Mumbai - 400011.

Email : [busicomp@vsnl.com](mailto:busicomp@vsnl.com)

Phone : 022/23016761, 23018261

Fax : 022/23018261

**ANNUAL REPORT 2005 - 2006****Notice**

Notice is hereby given that, 14<sup>th</sup> Annual General Meeting of the Company, will be held on Tuesday, 26<sup>th</sup> September, 2006 at 10.00 Am at Shri Jivraj Bhanji Shah Smarak Trust, Ashok Nagar, Nahur Road, Mulund (W), Mumbai - 400080 to transact following business.

**ORDINARY BUISNESS :**

01. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2006 and the Profit & Loss Account for the year ended on that date and the reports of the Directors & Auditors thereon.
02. To appoint a Director in place of Mr. Jayesh R Patel, who retire by rotation and offer himself for reappointment.
03. To appoint Auditors, and to fix their remunerations.

By order of the Board.

(Mahavir N Sundrawat)  
Managing Director

**Place :** Banswara  
**Date :** 30.07.2006

**Notes :**

01. A member entitled to attend and vote is entitled to appoint one or more proxie (s) to attend and vote instead of himself, and a proxy need not be a memembr of the Company.
02. The Register of the member and Shares Transfer Book of the Company will remain closed from Tuesday, 19<sup>th</sup> September to Tuesday, 26<sup>th</sup> September, 2006 (both days inclusive).
03. Shareholders, holds shares in identical names, in more than one folios, are requested to apply for consolidations of folios and send relevant shares certificates to Registrar for consolidations.
04. Members desiring any information's as regarding to the accounts are requested to write to the Company at-least 7 days in advance, enable the management to keep the information ready.

## ANNUAL REPORT 2005 - 2006

## Director's Report

Dear Members,

Your Directors have pleasure in presenting their fourteenth Annual Report of the Company together with the Audited Accounts of the Company for the financial year ended as on 31.03.2006.

**Financial Results :**

The financial results of the Company for the year under review are summarized as-under.

Item	(Rs in Lacs)	
	As on 31.03.2006	As on 31.03.2005
Turnover	89.32	84.95
Other Income	00.10	00.00
Profit (Loss) before taxations	07.49	07.37
Balance b/f from last year.	(50.35)	(57.36)
Provisions / Prior period adjustments.	(00.10)	(00.36)
Carried to Balance Sheet	(42.96)	(50.35)

**Dividends :**

In view of accumulated losses your Directors are unable to declare any dividends.

**Operations :**

As appear from the operations, the working of the company is so far satisfactory, but there always remain scope for improvement. Despite growing competition and shrinking market Company will try to improve the performance in coming days.

**Fixed Deposits :**

The Company has not accepted any deposits from public in the year under review.

**Responsibility Statement:**

The Director's Confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- that they have selected such accounting policies and applied them consistently and made judgments 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 or loss of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- that they have prepared the annual accounts on a going concern basis.

## ANNUAL REPORT 2005 - 2006

**Statutory Informations :**

i) Since, no employee's covered under Section 217(2A), of the Companies Act, 1956 the information required under Section is not given.

**ii) Conservations of Energy, Technology, Foreign Exchange Earnings :**

Information pursuant to Section 217(1) of the Companies Act, 1956 read with Companies (Disclosures in Report of the Board of Directors) Rules 1988 are as follows.

**A. Power Consumptions :**

	As on 31.03.2006	As on 31.03.2006
Item		
Units	311036	309136
Total Amount	1504457	1584124
Rate/Unit	04.84	05.13

**B. Technology :**

Latest technology has been adopted in the plant to maximize productions, yields, better quality with minimum consumptions of energy.

**C. Foreign Exchange Earnings and Outgo :**

There in no inflow or outflow of foreign exchange during the year.

**Director's :**

Mr. Jayesh R Patel Director of the Company is retire by rotation and is eligible offer himself for reappointment.

**Auditor's :**

Ms, Surendra Kumar Jain & Company, retire and are eligible for appointment as Auditors.

**Employee's Relations :**

Relations between the management and employees remain cordial during the year under review. The Director's place on records their appreciations of the efficient and loyal services rendered by the employee's at all levels.

**Corporate Governance :**

The Corporate Governance report for the year ended as on 31.03.2006, as per requirement of Clause 49 of Listing Agree-ment has been given separately in the annexure.

**Acknowledgement :**

The Director's wish to express their deep appreciations and gratitude's to Banker's, Financial Institution's, all central, and state level departments for their valued supports.

For & on behalf of the Board.

(Mahavir N Sundrawat)

Managing Director

Place : Banswara

Date : 30.07.2006

## Annexure to the Director's Report on Corporate Governance

## Corporate Governance

Your Company has complied with some of features of Corporate Governance Code as per Clause 49 of Listing Agreement. Compliance is a regular process and Company will put its best efforts to meet the same as and when due.

## A. Mandatory Requirements.

## 1. Company's Philosophy on Corporate Governance.

Corporate Governance is to ensure transparent disclosure and reporting that confirms to the laws, regulations and guidelines, and to promote ethical conduct throughout the organization being a responsible corporate citizen by creating a mechanism of checks and balances which ensures to meet the shareholders and stakeholder aspirations. The company is committed to attain the standards set for corporate governance.

## 2. Board of Directors

The total strength of the Board as on 31.03.2006 was four directors. The constitution of the Board is given below.

Name of the Director	Executive /Non Exec. / Independent	No of other Directorship	Membership of other Board Committees
Mahavir N Sundrawat	Executive	Nil	
Mayur M Sundrawat	Executive	Nil	2
Jayesh R Patel	Independent	Nil	2
Sanjay M Devediya	Independent	Nil	2

Attendance of Directors in Board Meeting's and last Annual General Meeting.

The Board of the Company met six times during the last financial year, on following dates.

25 <sup>th</sup> April, 2005.	24 <sup>th</sup> June, 2005
26 <sup>th</sup> July, 2005	21 <sup>st</sup> October, 2005
31 <sup>st</sup> December, 2005	30 <sup>th</sup> January, 2006

The attendance in the Board meetings and last Annual General Meeting were as under.

Name of Director	Board Meetings. Attended	Held during Tenure	A G M
Mahavir N Sundrawat	6	6	Yes
Mukesh N Sundrawat	4	5	Yes
Mayur M Sundrawat	5	5	Yes
Sharad H Jagisot	5	5	Yes
Jayesh R Patel	3	3	Yes
Sanjay M Devediya	3	3	No

**ANNUAL REPORT 2005 - 2006****3. Remuneration of Directors.**

Mr. Mukesh N Sundrawat and Mr. Sharad H Jagisot is not drawing any remuneration from the Company, whereas Mr. Mahavir and Mr. Mayur are drawing a notional amount and actively involve in day to day activities. Since no major or complex issues are involved in deciding the remuneration of director's the remuneration committee has not been set up till date, the same will be set up in future, if situation so warrant.

**4. Audit Committee.**

The already existing Audit Committee has been reconstituted to meet the requirement of Corporate Governance Code under the Chairmanship of Mr. Sanjay M Devedia. Mr. Sanjay M Devedia is a qualified Chartered Accountant and is an independent director on the Board. The broad term of reference to the audit committee includes the issues, so as to satisfy the requirement of listing agreement and other provisions, if any. The audit committee has met three times during the concerned period as per details mentioned hereunder.

26 <sup>th</sup> July, 2005	21 <sup>st</sup> October, 2005
30 <sup>th</sup> January, 2006	

**5. Share Transfer Committee / Investors' Grievances Committee.**

The already existing Share Transfer Committee and Investors' Grievances Committee has been reconstituted under the Chairmanship of Mr. Jayesh R Patel. Mr. Jayesh R Patel, is a qualified Company Secretary and is an independent director on the Board. He is also the Chairman of the Investor's grievances committee to meet the requirement of Corporate Governance Code as laid down by the listing agreement. These two committees have met three times during the concerned period as per details mentioned hereunder.

26 <sup>th</sup> July, 2005	21 <sup>st</sup> October, 2005
30 <sup>th</sup> January, 2006	

**Share Transfers (Physical Form)**

All shares have been transferred and returned within time as prescribed by law. The shares of the company did not traded actively at bourses and volume of transfer of shares is very low.

**Investor Relations.**

As per information received from R & T agent, there were no complaints pending as on 30.06.2006 during the last reporting quarter. The complaints received from the investors are adequately and effectively dealt with as per prescribed guidelines. No complaints were pending at the offices of SEBI and stock exchanges also.

## ANNUAL REPORT 2005 - 2006

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**ANNUAL REPORT 2005 - 2006****6. General Body Meetings**

The locations and time of the Annual General Meeting held during the last three years are as follows.

AGM (Year)	Date	Time	Venue
2004-2005	27.09.2005	10.00 AM	Jeevraj Bhanji Shah Smarak Trust, Ashok Nagar, Nahur Road, Mulund (W), Mumbai 400080
2003-2004	28.09.2004	11.00 AM	Amantran" J L N Road, Oppsite, Mehul Cinema, Mulund (W), Mumbai 400080.
2002-2003	17.09.2003	11.00-AM	Pravasi, Panch Rasta Mulund (W), Mumbai 400080

**7. Note on Directors appointments / reappointments.**

During the year three new Directors namely Mr. Mayur M Sundrawat, Mr. Jayesh R Patel and Mr Sanjay M Devedia were appointed whereas Mr. Mukesh N Sundrawat and Mr. Sharad H Jagisot were resigned. The status of Board of Directors was given elsewhere in the report. Mr. Jayesh R Patel, will be retire and are eligible / offer himself for reappointment.

**8. Disclosures**

The Company has entered into no transactions of material nature with its Director or Management or relatives. The Company has generally complied with the requirements of Statutory / Regulatory authorities on capital market and no penalties have been imposed in the last three financial years against the Company. The Company does not have any subsidiary. There have been no public issues, right issues or other public offerings during the last five years.

**9. Means of Communications.**

The Company is publishing the various financial results. The quarterly, half yearly and annual results of the Company are published in "The Free Press Journal" in English and "Navshakti" in Marathi being the regional language. The address of the R & T agents has been changed. Shareholders are requested to please take special care while sending the shares for transfer. Shareholder can send these shares at the registered office also. For speedy and effective disposal of transfers, they are requested to please send the shares directly the R & T agent of the Company.

**10. General Shareholder Information.****a) Annual General Meeting**

Date

Tuesday, 26<sup>th</sup> September, 2006 at 10.00 Am.

Venue

"Jeevraj Bhanji Shah Smarak Trust, Ashok Nagar, Nahur Road, Mulund (W), Mumbai 400080"

**b) Financial Calendar**

Financial reporting for

-Quarter ending June, 2006

Last week of July 2006

-Quarter ending Sep., 2006

Last week of October 2006

-Quarter ending Dec., 2006

Last week of December 2006

-Quarter ending March, 2007

Last week of April, 2007