

ANNUAL REPORT 1998-99

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Nirav Commercials Limited

NIRAV COMMERCIALS LIMITED

BOARD OF DIRECTORS

Shri Lalit Kumar Daga-Chairman & Managing Director
Shri Shailesh Daga
Shri Sudhir Goel

BANKERS

State Bank of India

AUDITORS

A.J.Baliya & Associates
Chartered Accountants, Mumbai.

REGISTERED OFFICE

357, A TO Z Industrial Estate,
G.K.Marg, Lower Parel (West),
Mumbai-400 013.

WORKS

Unit : Elesar Focchi
1, Kachigam Road
Ringan Wada
Mand. Daman-396 210.

SHARES DEPARTMENTS

357, A TO Z Industrial Estate,
G.K.Marg, Lower Parel (West),
Mumbai-400 013.

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NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of members of Nirav Commercials Limited will be held at 357, A to Z Industrial Estate, G.K.Marg, Lower Parel (W), Mumbai-400 013 on Friday, 16th July 1999 at 11.00 a.m. to transact the following business:

1. To receive and adopt the Directors' Report and the Audited statement of Accounts together with Auditors' Report thereon for the financial year ended 31st March 1999.
2. To appoint a Director in place of Shri Shailesh Daga, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.
4. SPECIAL BUSINESS

To consider and pass the following resolution as a Special Resolution :

" Resolved that subject to the confirmation by the High Court of Judicature at Mumbai pursuant to section 100 of the Companies Act, 1956 and as authorised by Article 22 of the Articles of Association of the Company and with the view and objective to pay-off a portion of the Paid-up Share Capital which is in excess of the wants and requirement of the Company, the paid-up Share Capital of the Company be and is hereby reduced by Rs. 1,56,80,000/- (Rupees One Crore Fifty Six Lacs and Eighty Thousand Only) by cancelling a sum of Rs.8/- per share out of Rs.10/- paid up on all the Issued and Paid up shares forming part of the Company's Paid-up Capital so that the present Paid-up Capital of Rs.1,96,00,000/- (Rupees One Crore and Ninety Six Lacs Only) divided into 19,60,000 (Nineteen Lacs Sixty Thousand) Equity Shares of Rs.10/- (Rupees Ten) each fully paid up shall stand reduced to Rs.39,20,000/- (Rupees Thirty Nine Lacs and Twenty Thousand Only) divided into 19,60,000 Equity Shares of Rs.2/- each fully paid up and that the said amount of Rs.1,56,80,000/- (Rupees One Crore Fifty Six Lacs and Eighty Thousand Only) by which the Paid up Capital is being reduced be paid-off and distributed in cash to the respective holders of the said 19,60,000 Equity Shares at the rate of Rs.8/- (Rupees Eight) per such Equity share".

"Further Resolved that after the aforesaid reduction of Paid-up Capital becomes effective upon confirmation by the Court, the resultant 19,60,000 Equity Shares of Rs.2/- each fully paid-up be consolidated into shares of Rs.10/- each fully paid up by combining 5 (Five) such shares of Rs.2/- each into 1 (One) share of Rs.10/- each so that the said 19,60,000 Equity Shares of Rs.2/- each will stand consolidated into 3,92,000 Equity Shares of Rs.10 each, aggregating to the Paid-up Capital of Rs.39,20,000/-"

"Further Resolved that after the aforesaid reduction of Paid up Capital becomes effective and the consolidation of the shares having the reduced nominal value is made by combining 5 (Five) shares of Rs.2/- each paid up into 1 (One) share of the Rs.10/- each fully paid up the Subscribed and Paid up Capital of the Company shall stand consisted of 3,92,000 Equity Shares of Rs.10/- each fully paid up and that so as to keep the amount of the Authorised Capital of the Company intact as at present, the balance 15,68,000 Equity Shares to be released upon the consolidation of 5 shares into 1, shall get added to the unissued portion of the Authorised Capital with the nominal value of each such shares enhanced and restored to Rs.10/- so that thereafter the Company's Authorised Capital of Rs.2,00,00,000 shall stand unaltered, divided into 20,00,000 Equity Shares of Rs.10/- each out of which 16,08,000 Equity Shares of Rs.10/- each will remain as unissued shares".

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"Further resolved that the Board of Directors of the Company be and is hereby authorised to take all necessary steps or actions to implement the resolution and to settle all difficulties and questions which may arise in the matter".

NOTES

1.A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

2.The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 10th July,1999 to Friday, 16th July,1999 (both days inclusive).

EXPLANATORY STATEMENT

The proposed special resolution seeks to reduce the Company's paid up capital with a view to pay-off the paid-up share capital which is in excess of the wants of the Company. The Company's Paid up capital presently as on 31.03.1999 is Rs.1.96 Crores and it has Reserves and Surplus of about Rs. 5.10 Crores on that date. The Company has no secured or unsecured borrowings and other creditors except the current liabilities on trade account as on 31.03.99. Loans and Advances given to the tune of Rs.5.52 crores most of which represent surplus funds not required for the business and purpose of the Company. With the falling interest rates and recovery risks going up, your Board Directors have decided that a sum of at least about Rs.1.50 crores be returned to the Shareholders of the Company who may be able to earn a better return on these funds. And with that objective in mind your Directors find that the best manner by which the funds may be returned to the Company's Shareholders would be to reduce the Paid-up Capital and pay off the amount. The Law permits under section 100 of the Companies Act, 1956, such a reduction in Paid up Capital and the return thereof to the shareholders. It is therefore proposed that the Paid up Capital of the Company which is Rs.1.96 Crores at present be reduced to Rs.39.20 lacs as proposed in the resolution and the amount by which the capital will stand so reduced, namely Rs.1,56,80,000/- be returned and distributed to the holders of the 19,60,000 Paid up Shares of Rs.10/- each by paying them at the rate of Rs.8/- per share on all the shares held by the respective shareholders of the Company.

The necessary application to the court for confirmation of the reduction will be made in due course after the resolutions is passed. It has also been decided by your Directors that after reduction of the Paid up Share Capital as proposed above the resultant shares having a nominal and paid up value of Rs.2/- each be consolidated into shares of nominal and paid up value of Rs.10/- per share by combining five shares of Rs.2/- each into one share of Rs.10/- each and to keep intact the nominal amount of the Authorised Capital of the Company, as provided in the resolution.

Your Directors therefore commend for approval the aforesaid special Resolution.

All the Directors of the company who hold Shares of the Company, shall be deemed to be interested in the above resolution.

A copy each of the Memorandum and Articles of Association of the Company as also the Company's Balance Sheets as at 31.03.1998 and 31.03.1999 will be open for inspection during working hours on any day at the Registered Office of the Company.

By Order of the Board



(Lalit Kumar Daga)
Chairman & Managing Director

REGISTERED OFFICE :
357, A TO Z, Industrial Estate,
B.K. Marg, Lower Parel (West),
Mumbai-400 013

Dated: 28.05.1999

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DIRECTORS' REPORT

To the Members,

The Directors hereby present their 14th Annual Report together with audited statement of accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS:

	<u>1998-99</u>	<u>1997-98</u>
	Rs.	Rs.
	(In lacs)	
Income from Operation	570.84	328.78
	=====	=====
Operating Profit	59.64	45.90
Less : Depreciation	8.47	2.61
Provision for Taxation	16.20	14.65
Other if any	0.07	-
	-----	-----
Net Profit	33.90	28.64
	=====	=====

WORKING

Company's working during the year was satisfactory.

STATUS ON THE Y2K PREPAREDNESS

The Company is Y2K compliant.

DIRECTORS

Shri Shailesh Daga, Director of the Company retires by rotation, and being eligible offers himself for reappointment.

LISTING

The Equity Shares of the Company are listed on 'The Stock Exchange, Mumbai,' Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

AUDITORS

M/s. A.J. Baliya & Associates, Chartered Accountants, Auditors of the Company, hold the office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment.

PARTICULARS OF EMPLOYEES

During the year under review, Company has not employed any person who was in receipt of remuneration exceeding the sum prescribed under the Section 217 (2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE
EARNING AND OUTGO**

The Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed.

ACKNOWLEDGEMENT

The Directors would like to express their sincere appreciation of assistance and Co-operation received from its Bankers during the year under review. Directors also wish to place on record their deep sense of appreciation of the devoted services rendered by all the employees of the Company.

For and on behalf of the Board of Directors



(Lalit Kumar Daga)
Chairman & Managing Director

Place : Mumbai
Date : 28.05.1999

ANNEXURE TO DIRECTORS' REPORT**CONSERVATION OF ENERGY**

There are no major areas where energy conservation measures could be considered viable. However, wherever possible, efforts are made to conserve use of energy through improved operational methods.

II. RESEARCH AND DEVELOPMENT

- a. Specific areas in which R&D was carried out by the Company) In view of simple nature of production process no activities related to research and development were being carried out
- b. Benefits derived as a result of the above R&D) There is no future plan of action on that account
- c. Future plan of action) envisaged.
- d. Expenditure on R&D :)

III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

During the year under review Company's production process did not involve any technology absorption, adaption and innovation.

IV. FOREIGN EXCHANGE EARNING AND OUTGO

- a. Activities relating to exports) The Company did not carry on any activities
- b. Initiatives taken to increase exports) relating to exports. There is no export
- c. Development of new export markets for products and services) plans in hand.
- d. Export plans
- e. Total Foreign exchange used and earned

For and on behalf of the Board of Directors


 (Lalit Kumar Daga)
 Chairman & Managing Director

Place : Mumbai
 Date : 28.05.1999