ANNUAL REPORT 2004-2005

NIRAV COMMERCIALS LIMITED

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BOARD OF DIRECTORS

Shri Lalit Kumar Daga

Chairman

Shri Shailesh Daga

Shri Sudhir Goel

Whole-Time Director

EXECUTIVES

Shri Raghav Daga

Chief Executive Officer

Shri R.K.Varshney

General Manager - Commercial

BANKERS

United 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

Elesar Focchi Survey No.65/3D, Plot No.1, Cachigam Road, Ringanwada, Daman 396 210 (Union Territory).

Elesar Focchi W-50, M.I.D.C.Industrial Area, Taloja 410 208 Dist. Raigad (Maharashtra)

REGISTRARS AND SHARE TRANSFER AGENTS

Intime Spectrum Registry Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078.

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 20th Annual General Meeting of the Members of Nirav Commercials Limited will be held at "Maheshwari Pragati Mandal-Mumbai" 2nd Floor, Maheshwari Bhavan, 603, Jagannath Shankar Sheth Marg, Chira Bazar, Near Parsi Dairy, Marine Lines (E), Mumbai - 400 002 on Tuesday, the 23nd August, 2005 at 12.00 noon to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the audited Balance Sheet and the Profit & Loss Account for the year ended 31st March, 2005 and the Reports of the Directors and Auditors thereon.
- 2. To appoint a Director in place of Shri Lalit Kuma Daga who retires from office by rotation and being eligible offers himself for re-appointment.
- 3. To appoint Auditors of the Company, 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.

SPECIAL BUSINESS:

 To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

RESOLVED that in accordance with the provisions of section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the said Act, the Company hereby approves the appointment of Shri Sudhir Goel as a Whole-Time Director of the Company for the period of 5 years with effect from 19th August, 2005, on the following remuneration (subject to maximum Rs.75,000/- per month):

- i. Salary: up to Rs.50,000/- per month
- ii. Perquisites & Allowances:
 - (a) In addition to the salary & commission payable, the Whole-Time Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, club fees and leave travel concession, for himself and his family, medical insurance or and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors.
 - (b) Provision for use of the Company's car for official duties, cellular phone and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites.
 - (c) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable at a rate not exceeding half a month salary for each completed year of service and encashment of leave at the end of the tenure, shall not be included in the computation of ceiling on remuneration specified paragraph 1 Section II of Part II of Schedule XIII of the Companies Act.
- iii. Minimum Remuneration:

In event of loss or inadequacy of profit in any year, the Whole-Time Director shall be entitled to payment by way of salary (i) and perquisites and allowances (ii) as specified above.

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NOTES FOR MEMBERS' ATTENTION

- 1. The Register of Members and Share Transfer Books in respect of Equity Shares of the Company will remain closed from Tuesday. 16th August, 2005 to Tuesday. 23th August, 2005 (both days inclusive).
- 2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- 3. The Company has listed its Shares at The Stock Exchange, Mumbai and listing for the year 2005-2006 has been already paid to Stock Exchange.
- 4. Depository System:

Members are informed that w.e.f. 24th July, 2000 the shares of the Company are traded in compulsory dematerialised form.

EXPLANATERY STATEMENT

As required by section 173 of the Companies Act, 1956 the following explanatory statement set out all material facts relating to item no.4 of the notice

The Board of Directors have put a proposal for reappointment of Shri Sudhir Goel as a Whole-Time Director of the Company for a further period of 5 years with effect from 19th August, 2005.

Shri Sudhir Goel (56 years) is a qualified Chartered Accountant and has over 23 years of experience in managing Corporate financial affairs. He will look after financial affairs of the Company. The coard wishes to re-appoint him as Whole-Time Director of the Company.

The Resolution & Explanatory Statement is treated as an abstract under section 302 of the Companies Act, 1956. No Director of the Company except Shri Sudhir Goel is concerned or interested in this resolution.

For and on behalf of the Board

Lalit Kumar Daga

Chairman

Registered Office:

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

Dated: 30th June, 2005.

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DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders.

Your Directors have pleasure in presenting the 20th Annual Report together with audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2005.

FINANCIAL RESULTS:	2004-2005	2003-2004
	(Rs. in lacs)	(Rs.in lacs)
Sales	1634.33	1572.27
Other Income	85.09	23.17
	<u>1719.42</u>	<u>1595.44</u>
Less: Total Expenditure	<u>1717.30</u>	<u>1660.44</u>
Depreciation	14.65	16.38
Provision for taxation		
Deferred Tax	(25.02)	(29.60)
Net Profit/(Net Loss)	<u> 12.49</u>	(51.78)

OPERATIONAL PERFORMANCE

During the year your Company's has shown improved performance and total sales increased to 1634.33 lacs as compared to Rs.1572.27 lacs in the previous year. During the year your Company's manufacturing unit namely 'Elesar Focchi' situated at Daman has expanded its manufacturing activities. A new manufacturing unit has been started at Taloja, Dist.; Raigad. The sales of manufacturing units has been reduced marginally from 468.67 lacs to Rs.464.90 lacs. However trading sales has been increased to Rs.1169.43 lacs as compared to Rs.1103.60 lacs in the previous year.

ISO 9002

You will be happy to note that the unit of the Company namely Elesar Focchi, Daman is an ISO 9002 certified unit

PARTICULARS OF EMPLOYEES

During the year under review, the 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.

DIRECTOR

In accordance with Article 119 of the Articles of Association of the Company, Shri Lalit Kumar Daga retire from office by rotation, and being eligible, offer himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors wish to inform Members that the Audited Accounts containing the Financial Statements for the Financial Year 2004-2005 are in full conformity with the requirements of the Companies Act, 1956. They believe that the Financial Statements reflect fairly, the form and substance of transaction carried out during the year and reasonably present the Company's financial condition and results of operations. These

Statements are audited by the Statutory Auditors of the Company.

Your Directors further confirm that:

- i) in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures:
- ii) that the directors had selected such accounting policies and applied them consistently and 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 of the profit or loss of the Company for that year period:
- iii) that the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- iv) that the directors have prepared the Annual Accounts on a going concern basis.

AUDITORS -

M/s. A.J. Baliya & Associates, Chartered Accountants, Auditors of the Company, retire, and being eligible, offer themselves for re-appointment.

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 is annexed to this report and marked as Annexure-I.

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

In terms of provision of Section 383A (1) of the Companies Act, 1956, the Company has obtained a certificate from a Company Secretary in Practice and the same is annexed to this report and marked as Annexure-II

ACKNOWLEDGEMENT

The Directors would like to express their sincere appreciation of assistance and Co-operation received from their 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

Lalit Kumar Daga Chairman

Place: Mumbai. Date: 30th June, 2005.

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'ANNEXURE-I' TO DIRECTORS' REPORT

I. CONSERVATION OF ENERGY

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

II. RESEARCH AND DEVELOPMENT

a. Specific areas in which R&D was carried out by the Company

The Company is actively engaged in product up gradation, design, development and new product development.

b. Benefits derived as a result of the above R & D

Improved product designs resulted in higher value added products which achieved better realisation.

c. Future plan of action

Emphasis on the above activities will be an on going exercise.

d. Expenditure on R&D:

Since the expenditure incurred on research and development activities were not substantial, no separate account for the same was being maintained.

III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Since Company's products are being developed by in-house R & D team, no further information under this head is required to be given.

IV. FOREIGN EXCHANGE EARNING AND OUTGO

a. Activities relating to exports

During the year under review the Company has exported material worth Rs.5.86 lacs, as compared to Rs.14.96 lacs export in the previous year.

b. Initiatives taken to increase exports

Your Company has been is constant touch with various customers around the world. We hope that our regular follow-up will result procuring export orders.

c. Development of new export markets

Your Company is constantly exploring the possibilities of exporting its products to new markets. This is an on going process.

d. Export Plans

Export sales can only be increased by developing relationship with prospective buyers. In this connection your Company's officials trying their best to explore possibilities of export sales.

e. Total Foreign exchange used and earned

- i. Foreign exchange used The information is given in Notes on Account (Schedule-O to the Accounts).
- ii. Foreign exchange earned The information is given in Notes on Account (Schedule-O to the Accounts).

For and on behalf of the Board

Place: Mumbai

Dated: 30th June, 2005

Lalit Kumar Daga Chairman

'ANNEXURE- II' TO DIRECTORS' REPORT

CERTIFICATE FROM COMPANY SECRETARY IN WHOLE-TIME PRACTICE

To,
The Members
NIRAV COMMERCIALS LIMITED,
Mumbal.

We have examined the registers, records, books and papers of NIRAV COMMERCIALS LIMITED, (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2005 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

- 1. The Company has kept and maintained all registers as stated in Annexure `A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
- The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government. Company Law Board or other authorities within the time prescribed / by paying additional fees as prescribed under the Act and the rules made thereunder.
- 3. The Company being a Public Limited, comments are not required.
- 4. The Board of Directors duly met 7 (Seven) times respectively on 30th June, 2004, 31th July, 2004, 31th August, 2004, 31th October, 2004, 16th December, 2004, 31th January, 2005 and 23th March, 2005 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
- The Company has closed its Register of Members from 13th August, 2004 to 23th August, 2004 during the financial year.
- 6. The annual general meeting for the financial year ended on 31st March, 2004 was held on 23st August, 2004 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7. No extra ordinary general meeting was held during the financial year under scrutiny.
- 8. The Company has advanced loans amounting to Rs. 84,99,730 to companies referred to under Section 295 of the Act after complying the provisions of the Companies Act, 1956.
- 9. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
- 10. The Company has made necessary entries in the register maintained under section 301 of the Act.
- 11. As there were no instances falling within the preview of Section 314 of the Act, the Company has not obtained any approvals from Board of Directors, Members or Central Government.
- 12. The Company has not issued any duplicate share certificates during the financial year.
- 13. The Company has
- (i) has delivered all the certificates on allotment of the securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;

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- (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
- (iii) the Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
- (iv) no amount is outstanding in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for the period of seven years and liable to be transferred to Investor Education and Protection Fund.
- (v) duly complied with the requirements of section 217 of the Act.
- 14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
- 15. The Company has not appointed any Managing Director/Whole time Director/Manager during the financial year.
- 16. The Company has not appointed any sole-selling agents during the financial year.
- 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
- 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- 19. Pursuant to confirmation of order of hon'ble Mumbai High Court, under section 100 & 101 of the Companies Act, 1956, every 5 equity shares of Rs.10/- each having paid-up value of Rs.2/- each pf the Company be consolidated in to 1 (one) equity share Rs.10/- each fully paid-up and therefore the Company has issued new share certificates bearing nos.1697 to 2303.
- 20. The Company has not bought back any shares during the financial year.
- 21. There was no redemption of preference shares or debentures during the financial year.
- 22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
- The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
- 24. The Company has made borrowings during the financial year ended.
- 25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
- 26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
- The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
- 28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
- 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
- 30. The Company has not altered its Articles of Association during the financial year under scrutiny.
- 31. There was/were no prosecution initiated against or show cause notices received by the company and no