

ANNUAL REPORT
2005-2006

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NIRAV COMMERCIALS
LIMITED

NIRAV COMMERCIALS LIMITED

ANNUAL REPORT 2005 - 2006**BOARD OF DIRECTORS**

Shri Lalit Kumar Daga Chairman
 Shri Shailesh Daga
 CA. Sudhir Goel Whole-Time Director

EXECUTIVES

CA. Raghav Daga Chief Executive Officer
 Shri R. K. Varshney Vice President - Commercial

AUDITORS

A.J.Baliya & Associates
 Chartered Accountants, Mumbai

BANKERS

United Bank of India,
 Hotel Oberoi Towers Branch,
 Nariman Point,
 Mumbai-400 021.

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

Computronics Financial Services (India) Ltd.
 1, Mittal Chambers, Nariman Point,
 Mumbai-400 021.

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Nirav Commercials Limited will be held at '357, A To Z Industrial Estate', G.K. Marg, Lower Parel (W), Mumbai-400013, registered office of the Company on Saturday, the 19th August, 2006 at 3.00 p.m. 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 2006 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Shailesh 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.

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 Monday, 14th August, 2006 to Saturday, 19th August, 2006 (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 Bombay Stock Exchange Ltd., and listing fees for the year 2006-2007 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.

For and on behalf of the Board

Lalit Kumar Daga
Chairman

Registered Office :

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

Dated : 5th July, 2006

NIRAV COMMERCIALS LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors have pleasure in presenting the 21st Annual Report together with audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2006.

FINANCIAL RESULTS: 2005-2006	2004-2005
(Rs.in lacs)	(Rs.in lacs)
Sales	1596.20
Other Income	85.09
	<u>1629.74</u>
Less: Total Expenditure	1717.30
Depreciation	14.65
Provision for taxation	
Fringe Benefit Tax	0.15
Deferred Tax	<u>16.52</u>
Net Profit	<u>44.99</u>

OPERATIONAL PERFORMANCE

During the year your Company's manufacturing units namely 'Elesar Focchi' situated at Daman (UT) & Taloja, Dist; Raigad has shown better performance and sales of manufacturing units has increased from 464.90 lacs to Rs.672.24 lacs. However trading sales of the Company has been reduced to Rs.923.95 lacs as compared to Rs.1169.43 lacs in the previous year.

ISO 9002

You will be happy to note that the unit of the Company namely Elesar Focchi, Daman (UT) 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 Shailesh 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 2005-2006 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

Place : Mumbai
Date : 5th July, 2006.

Lalit Kumar Daga
Chairman

'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.Nil, as compared to Rs.5.86 lacs export in the previous year.

b. Initiatives taken to increase exports

Your Company has been in constant touch with various customers around the world. We hope that our regular follow-up will result in 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 are 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-N to the Accounts).
- ii. Foreign exchange earned - The information is given in Notes on Account (Schedule-N to the Accounts).

For and on behalf of the Board

Lalit Kumar Daga
Chairman

Place : Mumbai
Date : 5th July, 2006.

NIRAV COMMERCIALS LIMITED

'ANNEXURE- II' TO DIRECTORS' REPORT

CIN of the Company : U51900MH1985PLC036668

COMPLIANCE CERTIFICATE

To,
The Members
NIRAV COMMERCIAL LIMITED,
Mumbai.

We have examined the registers, records, books and papers of **NIRAV COMMERCIAL 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, 2006 (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.
2. 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 limited Company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year were 157 (One Hundred Fifty Seven Only):
 - i) The company has not invited public to subscribe for its share or debentures; and
 - ii) The company has not invited or accepted any deposit u/s 58A of the Act.
4. The Board of Directors duly met 9 (Nine) times respectively on 30th May, 2005, 30th June, 2005, 6th July, 2005, 31st July, 2005, 3rd September, 2005, 31st October, 2005, 22nd December, 2005, 31st January, 2006 and 17th March, 2006 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.
5. The Company closed its Register of Members & Share Transfer Books from 16th August, 2005 to 23rd August, 2005 (both days inclusive) and necessary compliance of section 154 of the act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2005 was held on 23rd August, 2005 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 loan amounting to Rs. 3,97,10,048/- to the Companies referred in the under Section 295 of the Act after complying with the provisions of the Act.
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;
 - (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 appointment Whole -Time Director has been made in compliance with the Provision of Section 269 read with Schedule XIII of Act.
- 16. The Company has not appointed any sole-selling agents during the financial year.
- 17. The Company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or other 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 of 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 being 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. The Company wherever necessary has kept in abeyance right to dividend, right shares and bonus share pending registration of transfer of shares in compliance with the provisions of the Act.
- 23. 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 amount borrowed by the company from its associates Companies during the financial year ended 31st March, 2006 is/are within the borrowing limits of the Company.
- 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.
- 27. 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 fines or penalties or any other punishment imposed on the company during the financial year, for offences under the Act.