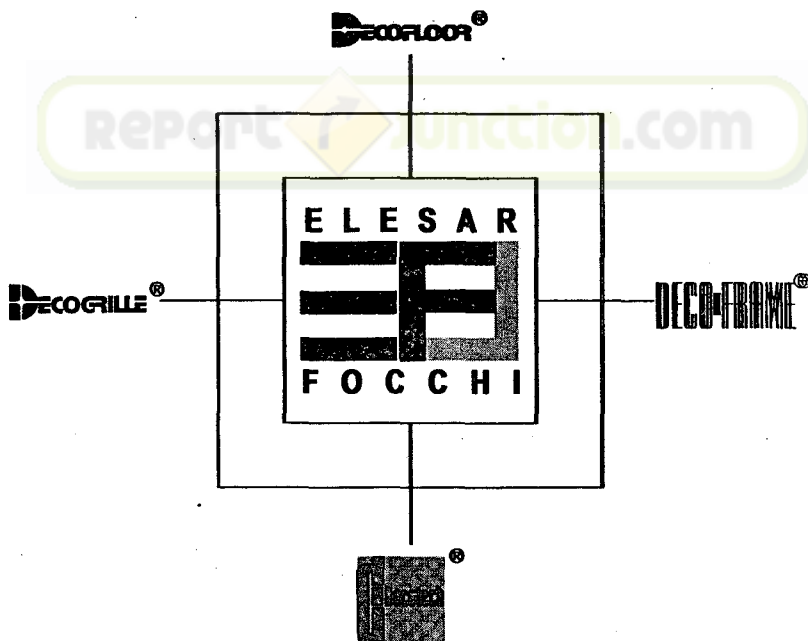


ANNUAL REPORT 2006-2007

NIRAV COMMERCIALS LIMITED



NIRAV COMMERCIALS LIMITED

ANNUAL REPORT 2006 - 2007**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 22nd 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, Cheera Bazar, Marine Lines (East), Mumbai - 400 002 on Saturday, the 1st September, 2007 at 12.30 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, 2007 and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Lalit Kumar Daga who retires by rotation and being eligible for re-appointment.
3. To appoint Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution:

RESOLVED that in superssion of all earlier resolutions passed at the General Meetings of the Company pursuant to the provisions of section 293 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the board of Directors for borrowing any sum or sums of money from time to time, whether secured or unsecured, notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount up to which the moneys may be borrowed by the board of Directors and outstanding at any time shall not exceed the sum of Rs.50.00 Crores exclusive of interest and the Directors are hereby further authorised to execute such deeds of debentures and debenture trust deed or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and/or other deeds and/or instruments and/or writing containing such conditions and covenants as the Directors may think fit and to do all such acts, deeds and think as may be required for implementing this resolution.

For and on behalf of the Board

Lalit Kumar Daga
Chairman

Place: Mumbai
Date : 30th June, 2007

NOTES FOR MEMBERS' ATTENTION

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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 HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item no.4 of the Notice set out above, is annexed thereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 29th August, 2007 to 1st September, 2007 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the RTA or the Company at its registered office.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES, 1956

The following explanatory statement sets out all the material facts relating to special business mentioning in Item No.4 of the accompanying Notice dated 30th June, 2007 convening the 22nd Annual General Meeting of the Company.

Item No.4

Under Section 293(1)(d) of the Act, the Board of Directors of a company cannot, except with the consent of the company in general meeting, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company, that is to say, reserve not set apart for any specific purpose.

With the Company's plans for expansion and diversification, your Board thinks it necessary that shareholders should accord their consent to the Board of Directors to borrow upto Rs. 50.00 crores and commends passing of this resolution.

None of the Directors is in any way concerned or interested in this resolution proposed to be passed.

For and on behalf of the Board

Place: Mumbai
Date : 30th June, 2007

Lalit Kumar Daga
Chairman

ANNUAL REPORT 2006 - 2007

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors have pleasure in presenting the 22nd Annual Report and the Audited Accounts, Balance Sheet and Profit & Loss Account for the year ended 31st March, 2007. The highlights of the financial results are as under:

| FINANCIAL RESULTS: 2006-2007 | 2005-2006 |
|---|------------------|
| (Rs.in lacs) | (Rs.in lacs) |
| Total Income | 1,871.55 |
| Gross Profit | 68.14 |
| Less : Depreciation | 11.55 |
| Profit before tax | 56.59 |
| Tax expenses | 23.40 |
| Profit after tax | 33.19 |
| Add: Balance brought forward from previous year | 178.22 |
| Balance transferred to Balance Sheet | 211.41 |
| | 178.22 |

REVIEW OF OPERATIONS

During the year under review, the Company has increased its total income to Rs.1,871.55 lacs as compared to Rs.1,629.74 lacs in the previous year. But profit before tax has reduced to Rs.56.59 lacs as compared to Rs.61.66 lacs in the previous year and this was due to lower margin from the manufacturing divisions.

MANUFACTURING DIVISIONS

Your company is engaged in manufacturing of Aluminium Grills, Door & Windows etc. and both manufacturing units namely 'Elesar Focchi' situated at Daman (UT) & Taloja, Dist; Raigad (Maharashtra) has contributed Rs.786.53 lacs in total income of the Company as compared to Rs.672.25 lacs in the previous year. However profit before tax has reduced to Rs.13.51 lacs as compared to Rs.22.12 lacs in the previous year and this was due to lower margin and stiff competition from the other players.

TRADING DIVISION

During the year total income from trading of Sulphur & Consignment business has increased to Rs.1,042.43 lacs as compared to Rs.923.95 lacs in the previous year and profit before tax has also increased to Rs.43.08 lacs as compared to Rs.39.54 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.

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.

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.

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 Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed that:

- in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the directors have 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 of the Company for the said period;
- the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the Annual Accounts on a going concern basis.

AUDITORS

M/s. A.J. Baliya & Associates, Chartered Accountants, retiring Auditors of the Company, is eligible for re-appointment.

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 : 30th June, 2007.

Lalit Kumar Daga
Chairman

NIRAV COMMERCIALS LIMITED

ANNEXURE 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 an 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, the Company could not export any material as compared to Rs. Nil 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. 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 may plan to visit some countries to explore possibilities of export sales.

e. Total Foreign exchange used and earned

The information on the above is given in Notes on Account (Schedule-M to the Accounts).

For and on behalf of the Board

Lalit Kumar Daga
Chairman

Place : Mumbai

Date : 30th June, 2007

**CIN No.: 51900MH1985PLC036668
COMPLIANCE CERTIFICATE**

To,
The Members
Nirav Commercial Ltd.
Mumbai.

We have examined the registers, records, books and papers of Nirav Commercial Ltd. (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, 2007 (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 a Limited Company has the minimum paid-up capital.
 - 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 58 A of the Act
- 4 The Board of Directors duly met 6 (six) times respectively on 01.06.06, 05.07.06, 31.07.06, 31.10.06, 31.01.2007 and 08.03.07 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 has closed its register of members from 14.08.2006 to 19.08.2006 during the financial year.
- 6 The annual general meeting for the financial year ended on 31st March, 2006 was held on 19th August, 2006 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 year under scrutiny.
- 8 The Company has advanced loans amounting to Rs. 1,12,26,775/- 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;
 - ii. not deposited any amount in separate Bank Account as no dividend was declared during the financial year.
 - iii. the Company was not required to post warrants to any members 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 deposit, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for the period of seven years and liable to be transferred to Investor Education & Protection Fund.
 - v. duly complied with the requirements of section 217 of the Act.