



NIVEDITA

MERCANTILE AND FINANCING LIMITED
21st ANNUAL REPORT 2005-2006

DIRECTORS :

**Shri Lav Bajaj
Shri Anil Agrawal
Shri Monal Malji**

AUDITORS :

**M/s Bankim V. Shah,
Chartered Accountants
Mumbai**

BANKERS :

**Bank of Maharashtra
UTI Bank Ltd.**

REGISTERED OFFICE :

**Imambada Road,
Nagpur - 440 018.**



NIVEDITA MERCANTILE & FINANCING LIMITED

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of the Members of **NIVEDITA MERCANTILE AND FINANCING LIMITED** will be held on Saturday, the 30th September, 2006 at 10.30 A.M. at the Registered Office at Imambada Road, Nagpur - 440 018, to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2006, and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri Anil Agrawal, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

Registered office:

Imambada Road,
Nagpur - 440 018.

Dated : 29.07.2006

By order of the Board

LAV BAJAJ
DIRECTOR

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE REGISTER OF MEMBERS OF THE COMPANY SHALL REMAIN CLOSED ON 30.09.2006.

DIRECTORS' REPORT

The Directors present their Twenty First Annual Report and Audited Statement of Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS:

The accounts for the year under review reflect a profit of Rs. 4,700,577. The Directors propose to appropriate the same as under:

	Rupees
Profit/(Loss) for the year	4,700,577
Add : Balance brought forward	2,537,510
Less : Provision for Taxation	
Current Tax	241,300
Deferred Tax	4,084
Fringe benefit Tax	7,500
	252,844
Balance carried to Balance Sheet	6,985,203

WORKING :

During the year under review the working of the Company was satisfactory. The Board of Directors are trying their best to further improve the performance of the Company and are hopeful of better working results in the coming year.

DIVIDEND :

Directors regret their inability to recommend any dividend for the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Directors are of the opinion that particulars with respect to conservation of energy and technology absorption as per Section 217(1)(e) read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are not relevant in view of the nature of business activities of the Company and hence, are not required to be given. There has been no foreign exchange earnings or outgo during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT :

The Directors confirm that :

- a. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. The accounting policies have been consistently applied and reasonable and prudent judgement and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2006 and the Profit and Loss Account of the Company for the period.
- c. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 has been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts have been prepared on a going concern basis.

SECRETARIAL COMPLIANCE CERTIFICATE

M/s. V. Ramachandran, Company Secretaries, Nagpur has issued a Secretarial Compliance Certificate in terms of Proviso of Sub-Section (1) of Section 383(A) of the Companies Act, 1956. The same has been received and attached to the Board Report.

PARTICULARS OF EMPLOYEES

There is no employee in respect of whom particulars pursuant to Section 217(2A) of the Companies Act, 1956 are required to be given.

DIRECTORS

Shri Anil Agrawal, retires by rotation and being eligible, offers himself for re-appointment.

Shri S. K. Deshpande Director of the company passed away on 18th May 2006. The Board of Directors deeply mourns the sad and untimely demise of shri S. K. Deshpande and prays to god to rest his soul in eternal peace.

Shri Lav Bajaj has been appointed by Directors of the Company to fill up the casual vacancy in place of Shri S. K. Deshpande.

PUBLIC DEPOSITS :

During the period under review, the Company has not accepted any public deposits under Section 58A of the Companies Act, 1956.

LISTING OF SHARES

The Equity Shares of the Company are listed on The Stock Exchange Mumbai and The Company has paid the annual listing fee for the financial year 2006 - 2007.

AUDITORS

M/s Bankim V. Shah, Chartered Accountants, Mumbai auditors of the Company retire at the conclusion of the ensuing meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT

The Directors are grateful to the Bankers for their continued co-operation and assistance during the year.

The Directors express their thanks for the sincere & dedicated efforts put in by all the employees during the year.

For and on behalf of the Board

Place : NAGPUR
Dated : 29.07.2006

LAV BAJAJ
DIRECTOR

ANIL AGRAWAL
DIRECTOR

SECRETARIAL COMPLIANCE CERTIFICATE TO THE MEMBERS

I have examined the registers, records, books and papers of NIVEDITA MERCANTILE AND FINANCING 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 my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I 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 return as stated in **Annexure "B"** to this certificate, with the Register of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company comments are not required.
4. The Board of Directors duly met six times respectively on 26th April, 2005, 29th July 2005, 29th August 2005, 10th October 2005, 28th October 2005 and 30th January 2006, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members and / or Debenture holders on 30.09.2005 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 30th September 2005 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview Section 297 of the Act.

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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 purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Member or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
 - (i) has not made any allotment / transfer / transmission of securities during the financial year.
 - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) was not required to transfer any amount to investor education and protection fund as there were no outstanding balances in unpaid dividend account or application money due for refund or matured deposits or matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - (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 vacancies during the financial year.
15. The Company has not appointed any Managing Director / Whole-Time Director / Manger 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 and / or such other authorities as prescribed under the various provisions of the Act, during the financial year.