

**22ND
ANNUAL REPORT
2004 - 2005**

WINRO COMMERCIAL (INDIA) LIMITED

Winro Commercial (India) Limited**BOARD OF DIRECTORS**

Shri V. V. Suresh Kumar
 Shri A. N. Nair
 Shri Jagdish Jhan
 Shri Narendra Kumar Jain (w.e.f. 07-03-2005)
 Shri Jagdish Malani (upto 20-12-2004)

BANKERS

HDFC Bank
 Citi Bank
 Oriental Bank of Commerce
 Standard Chartered Bank

AUDITORS

M/s Ajmera Ajmera & Associates
 Chartered Accountants
 Mumbai - 400 064.

REGISTERED OFFICE

15, Chittaranjan Avenue,
 4th Floor, Kolkata - 700 072.

CORPORATE OFFICE

K. K. Chambers 4th Floor,
 Sir Purshothomdas Thakurdas Marg,
 Fort, Mumbai - 400 001.

**REGISTRAR & SHARE
TRANSFER AGENT**

MCS LIMITED
 Tata Share Registry Ltd.
 Army and Navy Building,
 148, M. G. Road, Fort,
 Mumbai - 400 001.

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22nd Annual Report 2004 - 2005**NOTICE**

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of Winro Commercial (India) Limited will be held at the Registered office of the Company at 15 Chittaranjan Avenue, 4th Floor, Kolkata - 700 072 on Saturday, the 27th day of August, 2005 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2005 and Profit and Loss Account and annexures thereto for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Jagdish Jhan, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Narendra Kumar Jain who was appointed as an Additional Directors of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who vacates his office at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Narendra Kumar Jain as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered, amended and/ or substituted in the manner and to the extent set out herein:

A. Following Interpretations be inserted in Article 1 at the end -

"Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof.

"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992.

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"Bye-Laws" means bye-laws made by a Depository under section 26 of the Depositories Act.

"Securities and Exchange Board of India (SEBI)" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

"Security" means such security as may be specified by the SEBI from time to time.

"Record" includes the records maintained in the form of books or stored in computer or in such other forms as may be determined by regulations made by SEBI.

"Member" means the subscribers to the Memorandum of the Company and duly registered holders from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

Winro Commercial (India) Limited

Existing interpretation of 'Dividend' be deleted and substituted with the following:

"Dividend" includes interim dividend.

Existing interpretation of 'Register' be deleted and substituted with the following:

"Register" means the Register of the Company required to be kept under Section 150 of the Act and includes the Register and Index of Beneficial Owner maintained by the depository under Section 11 of the Depositories Act, 1996.

B. By inserting the following Article as Article 5(c), 5(d) and 5(e) after existing Article 5(b)-

5(c). Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

5(d). The Company shall be entitled to rematerialise its shares, debentures and other securities held in the Depository pursuant to the Depositories Act, 1996.

5(e). All securities held by depository shall be dematerialised and be in fungible form.

C. By inserting the following Articles as Article 17A, 17B and 17C after existing Article 17 -

17A. Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

17B. Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

17C. Notwithstanding anything contained in the Act or these Articles regarding necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

D. By inserting the following words at the end of existing Article 27 -

No share certificate shall be issued for shares held in or allotted by Depository.

E. By inserting the following Article as Article 28A after existing Article 28 -

28A. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.

F. By inserting the following words at the end of existing Article 57 -

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

G. By inserting the following Article as Article 57A after existing Article 57 -

57A (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.

(c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner

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in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

H. In Article 61 following be added at the end -

In respect of dematerialised shares the provisions as specified in the Depositories Act, 1996 shall apply.

I. By inserting the following Article as Article 69(d) after existing Article 69(c)-

69(d) In the securities held in electronic and fungible form in a depository, the provisions of the Depositories Act, 1996 shall apply.

J. By inserting the following Article as Article 95A after existing Article 95 -

95A. Notwithstanding anything contained in these Articles, the Company may and in the case of resolutions relating to such business as the Central Government may declare to be conducted only by postal ballot, shall, get such resolution passed by means of a postal ballot instead of transacting the business in general meeting of the Company. Where the Company requires to, or decides to, as the case may be, get a resolution passed by means of postal ballot, the provisions of Section 192A of the Act and such other rules framed thereunder from time to time shall be complied with.

K. By inserting the following Article as Article 120A after existing Article 120 -

120A. The Company shall constitute a Committee of the Board known as 'Audit Committee'. The constitution of the Audit Committee shall be governed by the provisions of Section 292A of the Act and such other regulations governing the matter from time to time.

L. In existing Article 121, the following be added at the end -

Provided that the Company may have a Director elected by small shareholders in the manner as may be prescribed under the provisions of Section 252 of the Act or such other rules governing from time to time.

By order of the Board of Directors

Place: Mumbai
Dated: 18th June, 2005

V. V. SURESH KUMAR
CHAIRMAN

REGISTERED OFFICE:
15 Chittaranjan Avenue,
4th Floor,
Kolkata - 700 072

Winro Commercial (India) Limited**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (fortyeight) hours before the time fixed for holding the meeting.
3. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Chairman, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
4. The Register of Members and Share Transfer Books will remain closed from Monday, 22nd August 2005 to Saturday, 27th August 2005 (both days inclusive).
5. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at M/s. Tata Share Registry Limited, Army and Navy Building, 148, M. G. Road, Fort, Mumbai - 400 001 in respect of their physical share folios.
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
8. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 4 and 5 is appended hereto.

BRIEF RESUME OF PERSONS PROPOSED TO BE RE-APPOINTED AS DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING:

Name	Shri Jagdish Jhan	Shri Narendra Kumar Jain
Age	55 years	50 years
Qualification	B. Com, MBA	B. Com
Nature of Expertise	Business	Business
Experience	Experience in the field of Trading, Investment and Finance.	Experience of over 15 years in the field of Trading and Marketing.
Name of Companies in which also holds Directorship	GTZ (Bombay) Private Limited	---
Name of the Companies in Committees of which holds membership / chairmanship	---	---

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**Item No. 4**

Shri Narendra Kumar Jain was appointed as an additional director of the company w.e.f. 7th March 2005 and will hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received a notice under section 257 of the Companies Act, 1956 from a member signifying his intention for appointment of Shri Narendra Kumar Jain as a Director of the Company.

Considering his varied experience in trading and investment it will be in the interest of the company to appoint him as a director.

Your Director recommends the appointment of Shri Narendra Kumar Jain as a director.

None of the Directors except Shri Narendra Kumar Jain are interested or concerned in the aforesaid resolution.

Item No. 5:**Amendment of Articles of Association**

The Company needs to alter its Articles of Association to incorporate therein necessary clauses relevant to dematerialization of shares, Postal Ballot facility, constitution of Audit Committee, etc.

None of the Directors of the Company is concerned or interested in the said resolution.

The Directors recommend the resolution for your approval.

By order of the Board of Directors

Place: Mumbai
Dated: 18th June, 2005

V.V. SURESH KUMAR
CHAIRMAN

22nd Annual Report 2004 - 2005**DIRECTORS' REPORT**

The Members, Your Directors have pleasure in presenting the 22nd Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March, 2005.

FINANCIAL HIGHLIGHTS:

(Rs in Lacs)

Particulars	Year ended 31.03.2005	Year ended 31.03.2004
Sales and other Income	20795.45	25659.14
Profit before Interest, Depreciation, and Tax	896.55	1637.91
Less: Interest	31.46	84.57
Less: Depreciation	0.92	1.22
Profit before Tax	864.17	1552.12
Less: Provision for Taxation	216.05	172.00
Net Profit after Taxation	648.12	1380.12
Less: Short Provision for income Tax for earlier years	0.23	0.05
	647.89	1380.07
Add: Balance brought forward from Previous Year	1602.57	222.49
Balance carried to Balance Sheet	2250.46	1602.56

DIVIDEND:

Your Directors are not recommending any dividend for the year ended on 31st March 2005 to conserve the resources for future.

DIRECTORS:

Shri Narendra Kumar Jain was appointed as additional Director of the Company by the Board w.e.f. 07-03-2005. He holds office upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member proposing his candidature as director of the Company in terms of Section 257 of the Companies Act, 1956.

During the year Shri Jagdish Malani has resigned as Director of the Company. We place on record our deep appreciation of the services rendered by Shri Jagdish Malani during his tenure on the Board.

Shri Jagdish Jhan Director, retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Brief profile of these Directors is given in the notes to the Notice of the ensuing Annual General Meeting.

PUBLIC DEPOSITS:

The Company has not accepted any of Deposit From public.

SHARE TRANSFER AGENT:

The company has appointed Tata Share Registry Limited having its Office at Army and Navy Building, 148, Mahatma Gandhi Road, Fort, Mumbai - 400 001. as its Registrar and Share Transfer Agents. Accordingly all documents, transfer, demat requests and other Communications in relation thereto should be addressed to the Registrar directly at the above address.

PARTICULARS OF EMPLOYEES:

The Company does not have any employee in receipt of remuneration equal to or exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

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DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that 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 as at 31st March, 2005 and of the profit of the Company for that period;
- that the Directors have taken proper and sufficient care for 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.
- that the annual accounts for the year ended March 31, 2005 have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

A Report on Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of the requirements of Corporate Governance, as also a Management Discussion & Analysis Report pursuant to Clause 49 of the Listing Agreement with the Stock Exchange are annexed hereto.

AUDITORS:

M/s. Ajmera Ajmera & Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Members are requested to appoint auditors for the current year and to authorize the Board to fix their remuneration.

AUDITORS' REPORT:

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes on Accounts for the year ended 31st March, 2005 are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

SECRETARIAL COMPLIANCE CERTIFICATE:

The Secretarial Compliance Certificate issued by M/s. Rath & Associates, Company Secretaries, pursuant to the requirement of proviso to sub-section (1) of Section 383A of the Companies Act, 1956 is enclosed herewith.

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

The Company is not engaged in any manufacturing activity and has no foreign collaboration and also has not imported or exported any goods and services. Hence no report is given on the above matter.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their gratitude for the support and co-operation from the investors, Banks and Statutory Authorities. Your Directors express their deep appreciation to the Company's employees at all levels for their unstinted efforts and valuable contributions during the year.

For and on behalf of the Board of the Director

Place : Mumbai
Dated : 18th June, 2005

V.V. Sureshkumar
Chairman

A.N. Nair
Director

22nd Annual Report 2004 - 2005**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****(a) Industry Structure & Developments:**

The Non Banking Financial Services Industry (NBFC) has a promising future. It was a satisfactory year for your Company. Amidst a challenging business environment, your Company has reported satisfactory volumes but a modest decline in the pre-tax profits. In the recent years, NBFC's are witnessing strong competition in their traditional areas of retail lending from Banks and financial institutions. Banks, which have innate advantage of lower cost of funds, are taking an increasing share in retail financing and providing strong competition to NBFC's.

In this scenario, NBFC's are now under pressure to cut costs and to develop a focused marketing approach on selected customer segments by offering more personalized services. The entry of strong NBFC's in insurance and banking has been the major development in this sector.

(b) Opportunities & Threats:

Indian Economy provides excellent growth opportunities as the increased thrust to power, road, ports, telecom and other urban infrastructure projects will create a positive environment for the Financial Services Industry in India. Further, growth of service sector also presents new opportunities for Financial Services Industry in India.

(c) Segment-wise Performance:

The company's main business is purchase of shares and sale of shares and all the activities of the company are related to its main business. As such there is no separate reportable segments.

(d) Outlook:

The Company continues to explore the possibilities of expansion and will make the necessary investments when attractive opportunities arise.

(e) Risks and Concerns:

The company's exposed to the market risk and credit risk. It is further exposed to risk of economic cycle. The company manages these risks by remaining very conservative and following other risk management practices.

(f) Internal Control Systems & their Adequacy:

The Company's operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

(g) Discussions on Financial Performance with respect to Operational Performance:

The turnover during the year decreased to Rs. 20795.45 Lacs from Rs. 25659.14 Lacs in the previous year. The Company earned profit on sale of investment aggregating to Rs. 648.12 Lacs as against a Profit of Rs. 1380.13 Lacs in the previous year. The provision for taxation during the year to be Rs. 216/-.

(h) Human Resource Development:

The Company believes that the human resources are vital in giving the company a Competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/ dissemination, creativity and responsibility. As in the past, the Company enjoyed cordial relations with the employees at all levels.

Winro Commercial (India) Limited**CORPORATE GOVERNANCE REPORT****(A) Company's Philosophy on Code of Corporate Governance**

Winro Commercial (India) Limited has followed procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement. The Company's primary objective is to create and adhere to a corporate culture of conscience, integrity transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders. The Company respects the inalienable rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The objective of the Company is to achieve business excellence and dedicate it to increasing the value of long-term interest of all the shareholders.

(B) Board of Directors**(i) Board Composition**

As on the date of this report, the Board of Directors consists of a majority of non-executive directors, having rich and varied experience. The Board comprises of Four (4) non-executive directors of which Two (2) are independent. The Chairman of the Board is a Non-Executive Director. The size and composition of the Board meets with the requirements of the Corporate Governance Code of the Listing Agreement with the Stock Exchange.

The constitution of the Board as on 31st March, 2005 is as given below:

Director	Executive/Non-Executive/ Independent	Number of other		
		Directorships*	Committee Memberships#	Committee Chairmanships#
Shri V.V. Suresh Kumar	Chairman, Non-Executive	2	0	0
Shri A. N. Nair	Non-Executive	0	0	0
Shri Jagdish Jhan	Non-Executive Independent	0	0	0
Shri Narendra Kumar Jain (Appointed as Additional Director w.e.f. 07/03/05)	Non-Executive Independent	0	0	0

* Other Directorships exclude directorships held in Private Limited Companies.

Committee of Directors include Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee of Directors only.

(ii) Board Meetings and Attendance of Directors

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and quarterly financial results. When necessary additional meetings are held. The Board meetings are generally held at the Corporate Office of the Company at Mumbai. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the directors. Every Board Member is free to suggest the inclusion of items on the agenda.

There were eleven Board Meetings during the year ended 31st March, 2005 i.e. on 26th April 2004, 21st May 2004, 28th June 2004, 28th July 2004, 6th September 2004, 28th October 2004, 1st November 2004, 20th December 2004, 23rd January 2005, 21st February 2005 and 7th March 2005. Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2004-05 and the last AGM: