

23RD
ANNUAL REPORT
2005 - 2006

WINRO COMMERCIAL (INDIA) LIMITED

BOARD OF DIRECTORS

Shri Jagdish Jhan
 Shri V. V. Sureshkumar
 Shri A.N Nair
 Shri Narendra Kumar Jain

BANKERS

HDFC Bank
 Citi Bank
 Oriental Bank of Commerce
 Standard Chartered Bank

AUDITORS

M/s Ajmera Ajmera And Associates
 Chartered Accountants,
 Sonal Link Industrial Estate,
 2/334, 3rd floor, Near Movie Theatre,
 Malad (West), Mumbai- 400 064.

REGISTERED OFFICE

15, Chittaranjan Avenue,
 4th Floor, Kolkatta- 700 072

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

TSR DARASHAW LIMITED
 Army and Navy Building,
 148, M.G. Road, Fort,
 Mumbai- 400 001

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NOTICE is hereby given that the Twenty Third 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 Friday, 29th day of September, 2006 at 3:00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2006 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 Narendra Kumar Jain, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri V. V. Sureshkumar, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. 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.

For and on Behalf of Board of Directors

PLACE: Mumbai

DATED: 14th August, 2006

V. V SURESHKUMAR
CHAIRMAN

REGISTERED OFFICE:

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

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. THE INSTRUMENT APPOINTING 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. 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.
3. The Register of Members and Share Transfer Books will remain closed from Saturday, 23rd September 2006, to Friday 29th September, 2006.(Both days inclusive)
4. 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 TSR Darashaw Ltd (Formerly Known as Tata Share Registry Limited), Army and Navy Building, 148, M. G. Road, Fort, Mumbai – 400 001 in respect of their physical share folios.
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.

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

Name	Shri Narendra Kumar Jain	Shri V. V. Sureshkumar
Age	50 years	48 Years
Qualification	B. Com	Bachelor of Commerce, Diploma in Marketing Management
Nature of Expertise	Business	Business
Experience	Experience of over 16 years in the field of Trading . and Finance	Experience of over 20 years in the field of Trading and Marketing.
Name of Companies in which also holds Directorship	—	1)Jacqart Chemical Industries Ltd. 2) Arcies Laboratories Ltd.
Name of the Companies in Committees of which holds membership / chairmanship	—	—
Shareholding in Winro Commercial (India) Limited	NIL	NIL

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 23rd Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March, 2006.

Financial highlights:**(Rs in Lacs)**

Particulars	Year ended 31.03.2006	Year ended 31.03.2005
Sales and other Income	38182.08	20795.45
Profit before Interest, Depreciation, and Tax	1530.72	896.55
Less: Interest	56.32	31.46
Less: Depreciation	0.96	0.92
Profit before Tax	1473.44	864.17
Add/(Less) : Provision for Taxation		
a) Current	(57.00)	(216.00)
b) Deferred tax for the year	(96.81)	(0.06)
c) Fringe Benefit tax	(0.06)	0
Net Profit after Taxation	1319.57	648.12
Add/(Less): Excess / (Short) Provision for income Tax for earlier years	0.96	(0.23)
	1320.52	647.89
Add: Balance brought forward from Previous Year	2250.46	1602.57
Balance carried to Balance Sheet	3570.98	2250.46

Dividend:

Your Directors do not recommend any dividend for the year ended on 31st March 2006 with a view to conserve the resources for future.

Operations & Performance:

During the year ended 31st March, 2006, your Company achieved a total income aggregating to Rs. 38182.08 Lacs as compared to Rs. 20795.45 Lacs during the previous year ended 31st March, 2005. After providing for Depreciation, Finance Charges and Taxation, the Company has registered a profit before tax of Rs. 1473.44 Lacs as against Rs. 864.17 Lacs in the previous year. After making provision for tax in respect of current year amounting to Rs. 153.87 Lacs and adjusting the excess provision of Rs. 0.96 Lac, the profit after tax of Rs. 1320.52 Lacs has been carried to the Balance sheet.

Although the Company maintains adequate internal control systems covering all its operation areas, the Company's Audit Committee reviews these internal control systems in detail for their effectiveness and their adequacy in the present scenario. The Directors are putting in their efforts and are hopeful of improved working during the years to come.

Barring unforeseen circumstances, your Directors are confident of achieving better results in the ensuing year.

Directors:

Shri Narendra Kumar Jain and Shri V. V. Sureshkumar, Directors, retire by rotation and being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting.

A brief profile of Directors Proposed to be appointed/ re-appointed is given in the notes to the Notice of the ensuing Annual General Meeting.

Directors' Responsibility Statement:

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

- that 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, 2006 and of the profit of the Company for the period ended on that date;
- 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, 2006 have been prepared on a going concern basis;

Alteration of the Main Object Clause by the addition of New Clause 1A and 1B in the Main Object Clause of Memorandum of Association of the Company:

During the year under the review, the Company has amended the Main Objects Clause by addition of new object clauses, to enable the Company to undertake activities relating to generation, distribution, etc of power in a comprehensive manner in accordance with the special resolution passed by Postal Ballot by the Shareholders of the Company, the results of which were declared by the Chairman on 5th January 2006 and the Company had also obtained the Certificate dated 31st January, 2006 for Registration of Special Resolution passed for aforesaid Alteration of Object clause from the Registrar of Companies, West Bengal, Kolkata.

Alteration of the Domicile Clause of Memorandum of Association of the Company:

During the year under review, the Company has obtained approval of the members by passing necessary Special Resolution through postal Ballot, the results of which were declared by the Chairman on 5th June 2006, for changing the Domicile Clause of the Company to reflect the change of the Registered Office of the Company from the State of West Bengal to the State of Maharashtra. The Company has filed Petition with the Company Law Board at West Bengal for obtaining its approval.

Open Offer Pursuant to the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

During the year, Promoter group companies Jacqart Chemical Industries Limited alongwith Four Dimensions Securities (India) Limited, Saraswati Commercial (India) Limited, Sareshwar Trading and Finance Private Limited, Mahotsav Trading and Finance Private Limited, Sam Jag Deep Investments Private Limited, Aroni Chemical Industries Limited made an 'Open Offer' in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 to acquire 2,50,507 fully paid-up Equity Shares of face value of Rs. 10/- each at a price including accrued interest of Rs. 122.70 per share, representing 20% of the equity voting capital of the company. The said Offer closed on 4th April, 2006. Pursuant to the said offer Jacqart Chemical Industries Limited has acquired 6,000 Equity Shares of the Company.

Public Deposits:

The Company has not accepted any of deposits from public.

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.

Corporate Governance:

A Report on Corporate Governance along with a certificate from M/s Rathi & Associates, Company Secretaries in practice, 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 Exchanges 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, 2006 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 S.N.Kamath & 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:**A] Conservation of Energy and Technology Absorption:**

The Company has engaged in investment, trading and finance activities and power generation activity and had no foreign collaboration and also has not imported or exported any goods and services.

B] Foreign Exchange Earnings & Outgo:

(Rs. In Lacs)

PARTICULARS	2005-2006	2004-2005
Foreign Exchange Earning	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

Acknowledgements:

Your Directors take this opportunity to express their gratitude for the support and co-operation from the Investors, Financial Institutions, 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**Place : Mumbai****Dated : 14th August, 2006****V.V. Sureshkumar****Chairman**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**(a) Industry Structure & Developments:**

In spite of continued volatility, the trading and investment sector has maintained its level of activities and catered to India's growing markets. Finance and trading in securities are the core business of our Company. Amidst a challenging business environment, your Company has reported satisfactory volumes. It was a satisfactory year for your Company and the Company is now under pressure to cut costs and improve its profitability further. Our policy to carry on the business successfully is "to take right decision at the right time."

(b) Opportunities & Threats:

The 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 has two business segments i.e. (i) Finance and Investment; and (ii) Wind farm and Power Plant.

1) Finance and Investment Segment:

The Company has earned the revenue of Rs. 1600.39/- Lacs as compared to Rs. 1003.21/- Lacs in the previous year.

2) Wind Farm and Power Plant Segment:

The Company has commenced operations in Wind Farm & Power Plant Segment w.e.f. 31st March 2006 and the Company own properties in RS No. 127/P, Village Vavad, Taluka Nandubar, District-Nandubar in the state of Maharashtra.

(d) Future 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. The Audit Committee reviews the quarterly and annual financial statements, adequacy of disclosures, treatment of various items involving accounting judgements.

(g) Discussions on Financial Performance with respect to Operational Performance:**(Rs. in Lacs)**

Highlights	2005-2006	2004-2005	% Change
Sales and Other Income	38182.08	20795.45	83.61
Profit before Interest, Depreciation and Tax	1530.72	896.55	70.73
Interest Expenditure	56.32	31.46	79.02
Depreciation	0.96	0.92	4.35
Provision for Taxation (including Deferred Tax, Fringe benefit tax & adjustments for earlier year tax)	152.91	216.29	(29.30)
Net Profit after Tax	1320.52	647.89	103.82
Earnings per Share (in Rs.)			
- Basic			
- Diluted	105.43	51.73	103.81

(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.

The Company's employee strength as on 31st March 2006 was 10 (Ten).

(i) Financial Strategy:

In order to Finance the future growth plans, the Company required additional external capital for which the Board has at its meeting held on 27th April, 2006 proposed to borrow sum of Rs. 442.40 Lacs and the Company has for the said purpose signed a Loan agreement with Indian Renewable Energy Development Agency Limited (IREDA) (A Government of India Enterprise and notified Public Financial Institution) on 19th June, 2006, for raising a Corporate Loan of Rs. 442.40 Lacs for the Company's Wind Farm project at District Nandubar in the state of Maharashtra.