

ARONI COMMERCIALS LIMITED

26TH

ANNUAL REPORT

2010-2011

ARONI COMMERCIALS LIMITED

BOARD OF DIRECTORS

Shri V. V. Sureshkumar	(Appointed on 17.1.2011)	
Shri Anilkumar Rajan	(Appointed on 17.1.2011)	
Shri Bhagwati Prasad Kejariwal	(Appointed on 6.1.2011)	- Independent Director
Shri Ashish Mohta	(Appointed on 22.3.2011)	- Independent Director
Shri Jaysukhlal N. Shah	(Resigned on 6.1.2011)	- Independent Director
Shri Ashwin Kumar Kothari	(Resigned on 17.1.2011)	
Shri Rohit A. Kothari	(Resigned on 17.1.2011)	
Shri Rajnikant Khalpada	(Resigned on 22.3.2011)	- Independent Director

BANKERS

HDFC Bank Limited

AUDITORS

M/s Lalit Mehta Associates
Chartered Accountants,
Bharat House, 2nd Floor
Mumbai Samachar Marg,
Mumbai – 400 023

REGISTERED OFFICE

209-210, Arcadia Building, 2nd Floor,
195, Nariman Point,
Mumbai - 400021.
Tel. : 66708600, Fax. : 66708650

REGISTRAR & SHARE TRANSFER AGENT

M/s Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai- 400078.
Tel. : 022 -25963838, Fax. :022-25946969

WEB SITE:

www.aronicommercials.com

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ARONI COMMERCIALS LIMITED

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of **Aroni Commercials Limited** will be held at 29, Bank Street, 1st Floor, Fort, Mumbai- 400001 on Saturday, the 24th day of September, 2011 at 5.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 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 Bhagwati Prasad Kejariwal, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers him 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 Shri Bhagwati Prasad Kejariwal, who was appointed as an Additional Director of the Company on 6th January, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate 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 Shri Bhagwati Prasad Kejariwal 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 an Ordinary Resolution:

“RESOLVED THAT Shri V. V. Sureshkumar, who was appointed as an Additional Director of the Company on 17th January, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate 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 Shri V. V. Sureshkumar 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.”

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

“RESOLVED THAT Shri Anilkumar Rajan, who was appointed as an Additional Director of the Company on 17th January, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate 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 Shri Anilkumar Rajan 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.”

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

“RESOLVED THAT Shri Ashish Mohta, who was appointed as an Additional Director of the Company on 22nd March, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate 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 Shri Ashish Mohta 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.”

Place : Mumbai

Dated : 24th August, 2011

REGISTERED OFFICE :

209-210, Arcadia Building,
2nd Floor, 195, Nariman Point,
Mumbai - 400021.

For and on behalf of the Board of Directors

Sd/-

V. V. SURESHKUMAR
CHAIRMAN

NOTES:

- 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.**
- 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

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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 Monday, 19th September 2011 to Saturday, 24th September, 2011 (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 Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup- (West), Mumbai- 400078 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.
7. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of the person, seeking re-appointment as Director under Item Nos. 4 to 7 above, is annexed.
8. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 4 to 7 is annexed hereto.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company / Registrars and Share Transfer Agents M/s. Link Intime India Private Limited.

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

Name	Shri Bhagwati Prasad Kejariwal	Shri Ashish Mohta	Shri V. V. Sureshkumar	Shri Anilkumar Rajan
Age in Years	68	38	53	42
Qualification	Diploma in Mechanical Engineering	Bachelor of Engineering (B.E.)	B.ComDiploma in Marketing and Management	M.ComDiploma in Marketing and Management
Nature of Expertise	Marketing, Investment and Trading	Marketing, Investment and Trading	Marketing, Investment and Trading	Investment and Trading
Experience	Experience of over 40 years in the field of Marketing and Trading	Experience of over 10 years in the field of Marketing and Trading	Experience of over 30 years in the field of Marketing, Investment and Trading	Experience of 20 years in the field of Investment and Trading
Name of Companies in which also holds Directorship	—	—	1. GeeCee Investments Limited 2. Winro Commercial (India) Limited 3. Arcies Laboratories Ltd. 4. Newage Dyes and Chemicals Pvt. Ltd. 5. GeeCee Logistics And Distributions Private Limited	1. Saraswati Commercial (India) Limited 2. Urudavan Investment and Trading Pvt. Ltd. 3. Four Dimensions Commodities Pvt. Ltd. 4. GTZ (Bombay) Pvt. Ltd. 5. Windsor Trading and Finance Pvt. Ltd. 6. Newage Dyes and Chemicals Pvt. Ltd. 7. Gwalior Chemicals BVBA 8. GeeCee Logistics And Distributions Private Limited

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Name of the Companies in Committees of which holds membership / chairmanship	---	---	1. Winro Commercial (India) Limited	1. Saraswati Commercial (India) Limited
Shareholding in Aroni Commercials Limited	NIL	NIL	2040	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 :

Item Nos. 4 to 7

Shri Bhagwati Prasad Kejariwal was appointed as an Additional Director of the Company w.e.f. 6th January 2011 and will hold office upto the date of the ensuing Annual General Meeting of the Company.

Shri V. V. Sureshkumar was appointed as an Additional Director of the Company w.e.f. 17th January 2011 and will hold office upto the date of the ensuing Annual General Meeting of the Company.

Shri Anilkumar Rajan was appointed as an Additional Director of the Company w.e.f. 17th January 2011 and will hold office upto the date of the ensuing Annual General Meeting of the Company.

Shri Ashish Mohta was appointed as an Additional Director of the Company w.e.f. 22nd March 2011 and will hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received notices under Section 257 of the Companies Act, 1956 from a member signifying his intention for appointment of Shri Bhagwati Prasad Kejariwal , Shri V. V. Sureshkumar, Shri Anilkumar Rajan and Shri Ashish Mohta as Directors of the Company.

Considering varied experience of the aforesaid directors in field of handling commercial and management aspects of the organisation it will be in the interest of the company to appoint them as directors. Your Director recommends the appointment of all the aforesaid as Directors.

None of the Directors, except the director being appointed, are interested or concerned in the aforesaid resolution.

For and on behalf of the Board of Directors

Sd/-

Place : Mumbai

Dated : 24th August, 2011

V. V. SURESHKUMAR
CHAIRMAN

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DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 26th Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS:

Particulars	Rupees in Lacs	
	Year ended 31.03.2011	Year ended 31.03.2010
Interest Received and other Income	274.99	127.91
Profit before Interest, Depreciation, Extraordinary items and Tax	185.72	98.92
Less: Interest	5.67	29.92
Less: Depreciation	11.39	15.36
Profit before Tax	168.66	53.64
Add/(Less): Provision for Taxation		
a) Current	(17.65)	-
b) Previous Year	(1.54)	26.53
b) Deferred Tax Expenses	90.18	1.88
c) Fringe Benefit tax	-	-
Net Profit after Taxation	239.65	82.05
Balance brought forward from Previous Year	3489.47	3407.42
Profit available for appropriation	3729.12	3489.47
Balance Carried Forward	3729.12	3489.47

Dividend:

Your Directors do not recommend any dividend for the year ended on 31st March 2011 with a view to conserve the resources for future.

Operations & Performance:

During the year ended 31st March, 2011, your Company achieved a total income aggregating to Rs. 274.99 Lacs. After providing for Depreciation and Finance Charges, the Company has registered a profit before tax of Rs. 168.66 Lacs. After making provision for tax in respect of current year and deferred tax, the profit after tax of Rs. 239.65 Lacs has been carried to the Balance sheet.

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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.

Directors:

Shri Bhagwati Prasad Kejariwal, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Shri Bhagwati Prasad Kejariwal, Shri V. V. Sureshkumar, Shri Anilkumar Rajan and Shri Ashish Mohta were appointed as an Additional Directors of the Company w.e.f 6th January, 2011, 17th January, 2011, 17th January, 2011 and 22nd March, 2011 respectively pursuant to Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company. They will hold their offices as such till the ensuing Annual General Meeting. The Company has received Notices under Section 257 of the said act from a shareholder proposing the candidature of the said Additional Directors for the office of Director of the Company.

Shri Jaysukhlal N. Shah was resigned as director of the Company on 6th January, 2011. The Board places on record their deep appreciation for the services rendered by Shri Jaysukhlal N. Shah during his tenure on the Board.

Shri Ashwin Kumar Kothari and Shri Rohit A.Kothari were resigned as directors of the Company on 17th January, 2011. The Board places on record their deep appreciation for the services rendered by Shri Ashwin Kumar Kothari and Shri Rohit Kothari during their respective tenure on the Board.

Shri Rajnikant Khalpada was resigned as director of the Company on 22nd March, 2011. The Board places on record their deep appreciation for the services rendered by Shri Rajnikant Khalpada during his tenure on the Board.

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, 2011 and of the profit of the Company for the year ended on that date;

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- 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 31st March, 2011 have been prepared on a going concern basis.

Corporate Governance:

A Report on Corporate Governance along with a certificate from M/s. Nishant Jawa & 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 Exchange are annexed hereto.

Auditors:

M/s Lalit Mehta 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, 2011 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. Nishant Jawa & Associates, Company Secretaries, pursuant to the requirement of proviso to sub-section (1) of section 383A of the Companies Act, 1956 is enclosed herewith.

Public Deposits :

The Company has not accepted any deposits from public.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo :

A] Conservation of Energy and Technology Absorption:

The Company has not engaged in any manufacturing activity and had no foreign collaboration and also has not imported or exported any goods and services. Hence the particulars as required under 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 are not applicable

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B] Foreign Exchange Earnings & Outgo:

(Rs. In Lacs)

PARTICULARS	2010-2011	2009-2010
Foreign Exchange Earning	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

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.

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 Directors

Sd/-

Place : Mumbai

Dated : 24th August, 2011

V. V. SURESHKUMAR
CHAIRMAN

ARONI COMMERCIALS LIMITED

COMPLIANCE CERTIFICATE

To,
The Members,
Aroni Commercials Limited,
Mumbai.

We have examined the registers, records, books and papers of **Aroni Commercials 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 31st March 2011 (financial year). In our opinion and to the best of my /our information and according to the examinations carried out by me / us and explanations furnished to me /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 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 have held their meetings at regular intervals 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 from Monday 20th September 2010 to Saturday 25th September 2010 (Both days inclusive).
6. The annual general meeting for the financial year ended 31st March 2010 was held on Saturday 25th September 2010 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary general meeting was held during the 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 of 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, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company:
 - (i) has delivered all the share certificate on lodgment thereof for transfer/transmission of securities in accordance with the provisions of the Act and there was no allotment of shares 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.
 - (v) has duly complied with the requirements of section 217.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies has been duly made.
15. The Company has not appointed any Managing Director / Whole time Director / Manager 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 approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
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 there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
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. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As per the information & explanation given, the Company has not invited/accepted any deposits

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- including any unsecured loans falling with the purview of Section 58A during the financial year.
24. The Company has not borrowed any amount during the financial year ending 31st March, 2011.
 25. The principal business of the Company is the acquisition of shares, stock, debentures and other securities and therefore provisions of Section 372A of the Companies Act, 1956 are not applicable to the Company.
 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 of Association with respect to the objects of the Company.
 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 of the Company during the year under scrutiny.
 31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the period, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The Company was not required to deduct any contribution towards Provident Fund during the financial year.

For **Nishant Jawa** & Associates
Company Secretaries

Nishant Jawa
Proprietor
(C.P. No.: 6993)

Place : Mumbai
Date : 24th August, 2011

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“Annexure A”

Registers as maintained by the Company

Statutory Registers:

1. Register of Members u/s 143
2. Register of Members u/s 150
3. Register of Directors, Managing Director, Manager and Secretary u/s 303
4. Register of Disclosures of Interest by Directors u/s 301(3)
5. Minutes Book u/s 193
6. Register of Contracts u/s 301
7. Register of Directors Shareholdings u/s 307

Other Registers :

1. Register of Transfers

“Annexure B”

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2011.

Sr. No.	Form No./ Return	Filed under	Section	For	Date of Filing	Whether filed within prescribed time Yes/No If delay in filing, whether requisite additional fee paid Yes/No
1.	Form No. 23AC & 23ACA	S 220	Annual Requirement	16.10.2010	Yes	N.A.
2.	Form 66	S 383A	Annual Requirement	14.10.2010	Yes	N.A.
3.	Form 20B	S 159	Annual Requirement	18.11.2010	Yes	N.A.
4.	Form 32	S 303	Change in directorship of the Company	11.01.2011	Yes	N.A.
5.	Form 32	S 303	Change in directorship of the Company	18.01.2011	Yes	N.A.
6.	Form 32	S 303	Change in directorship of the Company	28.03.2011	Yes	N.A.

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry structure and developments

The Indian economy performed very well in 2010-11. GDP grew by an estimated 8.6%. All the major sectors grew substantially. After years of lacklustre performance, agriculture did well, as did manufacturing and this played a major role in increasing disposable income throughout most parts of rural and upcountry India. It is worth mentioning that among the major economies, India's growth in FY2011 is the second highest in the world, second only to China.

Such rapid growth is naturally accompanied by greater market complexities. So, while the market provides much greater opportunities, it brings with it greater exposure to more varied types of risks. A proper understanding and planning for risk-return profiles of different projects become even more important for the success of financial intermediaries like ARONI that operate in this domain. As a company, ARONI has always focused on this aspect of its business. The Company continuously invests in developing its intellectual capital and promotes a business model that leverages the competitive strength of its internal domain knowledge. The emphasis is on growing the business by providing appropriate financing solutions to its diverse customer base.

(b) Opportunities and 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 Investment and Financial Services Industry in India. Further, growth of service sector also presents new opportunities for Investment and Financial Services Industry in India.

(c) Segment-wise or product-wise performance

The Company's main business is trading and investment in shares and all the activities of the Company are related to these business. As such there are no separate reportable segments.

(d) Outlook

Your Company is well placed to seize the long term opportunity in financial market in India. India's national income is expected to grow at an annual rate of over 8% in real terms, which will be close to 14 - 15% p.a. in monetary or nominal terms. Invariably, a developing economy passing through such rapid growth phase, witnesses its financial services sector to grow at 1.5 to 2 times the national income growth. The sector while has tremendous long term potential to grow, has a distinct characteristic of being cyclical. Therefore we see a sort of roller coaster ride. Long term players like your Company, see this as an opportunity rather than an obstacle.

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(e) Risks and Concerns

The Company 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 and their adequacy

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These systems and procedures provide reasonable assurance of maintenance of proper accounting records, reliability of financial information, protection of resources and safeguarding of assets against unauthorized use.

The internal processes have been designed to ensure adequate checks and balances at every stage. The processes are reviewed periodically by Auditors as well as Audit Committee and amended as required.

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

Highlights	2010-2011 (Rs. in Lacs)	2009-2010 (Rs. in Lacs)	Change in %
Income from Operations	274.99	127.92	114.97
Profit before Interest, Depreciation and Tax	185.72	98.92	87.75
Interest Expenditure	5.67	29.92	(81.05)
Depreciation	11.39	15.36	(25.85)
Provision for Taxation (Including Deferred Tax & Fringe benefit tax)	70.99	28.41	149.88
Net Profit after Tax	239.65	82.05	192.07
Earnings per Share (in Rs.)			
- Basic	5.81	1.99	191.96
- Diluted	5.81	1.99	191.96

(h) Human Resource Development

The Company believes that the human resources are vital resource 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 its employees at all levels.

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REPORT ON CORPORATE GOVERNANCE

(A) Company's Philosophy on Code of Corporate Governance

Aroni Commercials Limited is fully committed to and continues to practice good Corporate Governance. The Company believes that proper Corporate Governance generates goodwill among business partners, customers and investors, facilitates effective management and control of business and generates competitive returns for the investors. In addition to the basic governance issues, the Company lays significant emphasis on the principles of trusteeship, transparency, empowerment, accountability and integrity.

(B) Board of Directors

(i) Board Composition

The composition of the Board is in accordance with the requirements of the corporate Governance code of Listing Agreement with the stock exchanges. The Board of Directors consists of optimal combination of Non-Executive and Independent directors. As on 31st March, 2011 the Board comprised of four (4) Non - Executive Directors of which Two (2) are Independent. The Chairman of the Board is a Non-Executive Director.

As on the date of this report, the constitution of the Board is as given below:

Director	Executive/Non-Executive/ Independent	Number of other		
		Director-ships*	Committee Memberships#	Committee Chairmanships#
Shri V. V. Sureshkumar (appointed on 17/01/2011)	Chairman, Non-Executive Non-Independent	3	1	1
Shri Bhagwati Prasad Kejariwal (appointed on 06/01/2011)	Non-Executive, Independent	0	1	1
Shri Anilkumar Rajan (appointed on 17/01/2011)	Non-Executive, non-Independent	1	1	0
Shri Ashish Mohta (appointed on 22/03/2011)	Non-Executive, Independent	0	2	0
Shri Jaysukhlal N. Shah (resigned on 06/01/2011)	Non-Executive, Independent	2	-	-
Shri Rohit A. Kothari (resigned on 17/01/2011)	Non-Executive, Promoter	2	-	-
Shri Ashwin Kumar Kothari (resigned on 17/01/2011)	Chairman, Non-Executive, Promoter	1	-	-
Shri Rajnikant Khalpada (resigned on 22/03/2011)	Non-Executive, Independent	0	-	-

ARONI COMMERCIALS LIMITED

* Other Directorships exclude Directorships held in Private Limited Companies.

Committee of Directors includes Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee of Directors only. Committee Membership do not include Membership in Committee of Directors of ACL.

(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 Registered 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 Ten Board Meetings during the year ended 31st March, 2011 i.e. on 9th April 2010, 30th April 2010, 29th May 2010, 13th August 2010, 16th August 2010, 11th November 2010, 6th January 2011, 17th January 2011 and 11th February 2011, 22nd March 2011. The Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2010-11 and the last AGM:

Name of the directors	Number of Board Meetings held during his tennure	Number of Board Meetings attended	Whether attended last AGM
Shri Bhagwati Prasad Kejariwal (appointed on 06/01/2011)	4	4	No
Shri V. V. Sureshkumar (appointed on 17/01/2011)	3	3	No
Shri Anilkumar Rajan (appointed on 17/01/2011)	3	3	No
Shri Ashish Mohta (appointed on 22/03/2011)	1	1	No
Shri Jaysukhlal N. Shah (resigned on 06/01/2011)	6	6	Yes
Shri Rohit A. Kothari (resigned on 17/01/2011)	7	7	Yes
Shri Ashwin Kumar Kothari (resigned on 17/01/2011)	7	7	Yes
Shri Rajnikant Khalpada (resigned on 22/03/2011)	9	9	Yes

ARONI COMMERCIALS LIMITED

(iii) Remuneration Policy:

None of the Directors is paid any remuneration or sitting fees. Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

Shares held by Non-Executive Directors as on 31st March, 2011

Name of the Non-Executive Director	Equity Shares held (No.)
Shri Bhagwati Prasad Kejariwal	NIL
Shri V. V. Sureshkumar	2040
Shri Anilkumar Rajan	NIL
Shri Ashish Mohta	NIL

(C) Board Committees

To enable better and more focused attention on the affairs of the corporation, the Board delegates particular matter to committee of the Board set up for the purpose. The committees prepare the groundwork for decision making and report at the subsequent Board meeting. Currently, the Board has two Committees – the Audit Committee and the Shareholders/Investors Grievance Committee. As on date, the Audit Committee comprises of three members of which two Members are Non-Executive Independent Directors and one member is a Non-Executive Director. The Shareholders/Investor Grievance Committee comprises of two Members. The Chairman of the said Committee is a Non-Executive Director.

The Board is responsible for the constitution, co-opting and fixing the terms of reference for Committee members of the said Committees.

(i) Audit Committee

Terms of reference

(a) Primary objectives of the Audit Committee

The Audit Committee of the Company inter-alia provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. The primary objective of the Audit Committee (the "Committee") is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process – by the management, including the independent auditor – and notes the process and safeguards employed by each.

(b) Scope of the Audit Committee

1. Provide an open avenue of communication between the independent auditor and the Board of Directors ("BoD")

ARONI COMMERCIALS LIMITED

2. Recommending the appointment, re-appointment and if required the replacement or removal of statutory auditors, fixation of audit fees and also to approve the payment for other services.
3. Meet Four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
4. Confirm and assure the independence of the external auditor.
5. Review with independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
6. Consider and review with the independent auditor the adequacy of internal controls including the computerised information system controls and security;
7. Reviewing with the management the Quarterly financial statements before submission to the Board for approval.
8. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - (a) Any changes in the accounting policies and practices
 - (b) The going concern assumption
 - (c) Compliance with accounting standards
 - (d) Compliance with listing and other legal requirements concerning financial statements
 - (e) Significant adjustment arising out of audit
 - (f) Disclosure of any related party transactions.
 - (g) Qualification in the draft audit report
9. Consider and review with the management and the independent auditor;
 - (a) Significant findings during the year, including the status of previous audit recommendations,
 - (b) Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
10. Review of the following information:

ARONI COMMERCIALS LIMITED

- (a) Management discussion and analysis of the financial conditions and results of operations;
- (b) Statement of significant related party transactions submitted by the management;
- (c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors

11. To look into the reasons for substantial default in the payment to the depositors, debentures holders, shareholders (in case of non payment of declared dividends) and creditors.

(c) Composition of the Audit Committee

The Audit Committee comprises of three Non-Executive Directors of which two are Independent Directors. The Audit Committee is constituted in accordance with the Corporate Governance Code of the Listing Agreement and the provisions of the Companies Act, 1956. The statutory auditors are invited to the Audit Committee Meetings whenever required. The quorum for the Audit Committee Meeting is two members.

As on 1st April 2010 the Audit Committee was comprised of Shri Jaysukhlal N. Shah (Chairman), Shri Rohit A. Kothari and Rajnikant Khalpada.

The following changes took place in the composition of the Committee:

- Shri Jaysukhlal N. Shah resigned as member w.e.f. 6th January, 2011
- Shri Bhagwati Prasad Kejariwal appointed as a member of the Committee w.e.f. 6th January, 2011
- Shri Rohit A. Kothari resigned as member w.e.f. 17th January, 2011
- Shri Anilkumar Rajan appointed as a member of the Committee w.e.f. 17th January, 2011
- Shri Rajnikant Khalpada resigned as member w.e.f. 22nd March, 2011
- Shri Ashish Mohta appointed as a member of the Committee w.e.f. 22nd March, 2011

The composition of the Audit Committee as on date of this report is as follows:

1. Shri Bhagwati Prasad Kejariwal, Chairman
2. Shri Anilkumar Rajan
3. Shri Ashish Mohta

ARONI COMMERCIALS LIMITED

(d) Audit Committee Meetings and Attendance during the financial year ended 31st March, 2011

During the financial year ended 31st March, 2011, Four Audit Committee Meetings were held on 29th May 2010, 13th August 2010, 11th November 2010 and 11th February 2011. The table hereunder gives the attendance record of the Audit Committee members.

Name of the Audit Committee Members	Number of Meetings held	Number of Meetings attended
Shri Jaysukhlal N. Shah (Resigned on 06/01/2011)	3	3
Shri Rohit Kothari (Resigned on 17/01/2011)	3	3
Shri Rajnikant Khalpada (Resigned on 22/03/2011)	4	4
Shri Bhagwati Prasad Kejariwal (Appointed on 06/01/2011)	1	1
Shri Anilkumar Rajan (Appointed on 17/01/2011)	1	1
Shri Ashish Mohta (Appointed on 22/03/2011)	0	0

The Management is responsible for the Company's internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the applicable accounting standards and for issuing a report thereon. The Committee's responsibility is to monitor these processes. The Committee is also responsible to oversee the processes related to the financial reporting and information dissemination, in order to ensure that the financial statements are true, correct, sufficient and credible.

The Committee has recommended to the Board the appointment of M/s. Lalit Mehta Associates, Chartered Accountants, as the statutory and independent auditors of the Company for the Financial Year ending 31st March, 2011 and that necessary resolution for appointing them as auditors be placed before the shareholders.

(ii) Shareholders/Investors Grievance Committee:

Composition:

The Shareholders/Investors Grievance Committee was headed by a Non-Executive Director and consisted of the following members as on 1st April, 2010:

Shri Ashwin Kumar Kothari, Chairman
Shri Rajnikant Khalpada

ARONI COMMERCIALS LIMITED

Shri Anoop Chaturvedi, an Officer of the Company acts as the Compliance Officer.

The following changes took place in the composition of the Committee:

- Shri Ashwin Kumar Kothari resigned as member w.e.f. 17th January, 2011
- Shri Anilkumar Rajan appointed as a member of the Committee w.e.f. 17th January, 2011
- Shri Rajnikant Khalpada resigned as member w.e.f. 22nd March, 2011
- Shri Ashish Mohta appointed as a member of the Committee w.e.f. 22nd March, 2011

The composition of the Shareholders/Investors Grievance Committee as on date of this report is as follows:

1. Shri Anilkumar Rajan, Chairman
2. Shri Ashish Mohta

Scope of the Shareholders/Investors Grievance Committee:

The said Committee inter-alia, deals with various matters relating to transfer/transmission of shares, investors' grievances and redressal mechanism and to recommend measures to improve the level of investor services.

Meetings and Attendance:

One Shareholders/Investors Grievance Committee Meetings was held on during the year. Both the members of the Committee were present in the Meeting held during the year.

The Committee expresses satisfaction with the Company's performance in dealing with investors grievance and its share transfer system.

Details of Shareholders' complaints received, not solved and pending during the Financial Year ended 31st March, 2011:

There was no complaint received during the year ended on March 31, 2011. There were no pending / unattended complaints as on March 31, 2011.

(D) General Body Meetings :

Details of last **three** Annual General Meetings are given hereunder

Year	Date	Venue	Time
2008	27/09/2008	29, Bank Street, 1 st Floor, Fort, Mumbai – 400 001	5.00 p.m.
2009	26/09/2009	29, Bank Street, 1 st Floor, Fort, Mumbai – 400 001	5:00 p.m.
2010	25/09/2010	29, Bank Street, 1 st Floor, Fort, Mumbai – 400 001	5:00 p.m.

ARONI COMMERCIALS LIMITED

Special Resolution:

In the Annual General Meeting held on 25th September, 2010, no Special Resolution was passed.

Postal ballots

No Special Resolution requiring postal ballot was placed before the last Annual General Meeting. No special resolution is being proposed for the ensuing Annual General Meeting for being passed through postal ballot.

(E) Disclosures:

(i) Related Party Transactions:

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large.

(ii) Compliances by the Company:

There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years/period.

(iii) Whistle Blower Policy:

The Company has not established the non-mandatory requirement of Whistle Blower Policy.

(iv) Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:

The company has received communications from Bombay Stock Exchange Limited to comply with the Clause 40 (A) of Listing Agreement. The company has written to BSE for granting it time to comply the same. There is no other non-compliance by the Company and no penalties, strictures imposed by the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets, during the last three years/period.

(F) Means of Communication:

- (i) The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the listing agreement. Generally, the same are published in Free Press Journal or Asian Age (English language) and Nav Shakti or Lakshdeep (Marathi language) in Mumbai and Business Standard or Financial Express (English language) and Lipi or Kalantar (Bengali language) in Kolkata. As the results of the Company are published in the newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are faxed to the Exchanges immediately after the conclusion of the respective meeting.

ARONI COMMERCIALS LIMITED

- (ii) No presentations were made to the institutional investors or to analysts during the year under review.
- (iii) The Management Discussion and Analysis Report forms a part of this Annual Report.

(G) Certificate on Corporate Governance:

As required by Clause 49 of the Listing Agreement, a certificate issued by M/s. Nishant Jawasa & Associates, practising Company Secretaries, regarding compliance with Corporate Governance norms is given as an annexure to this Report.

(H) CEO Declaration:

As required by Clause 49 of the Listing Agreement, the CEO i.e. the Chairman's declaration on compliance of the Company's code of conduct is provided as an Annexure to Report.

(I) General Shareholders' Information :

- (i) Date, time and venue of Annual General Meeting of Shareholders 24th September 2011, 5.00 P.M. 29, Bank Street, 1st Floor, Fort, Mumbai – 400 001
- (ii) Financial Calendar (tentative and subject to change)

Financial reporting for quarter ended	
June 30, 2011	: By August 15, 2011
September 30, 2011	: By November 15, 2011
December 31, 2011	: By February 15, 2012
March 31, 2012	: By May 15, 2012 and audited 30 th May, 2012
Annual General Meeting for year ended March 31, 2012	: By September 30, 2012.
- (iii) Dates of book closures 19th September 2011 to 24th September 2011 (both days inclusive)
- (iv) Registered Office 209-210, Arcadia Building, 2nd Floor, 195, Nariman Point, Mumbai - 400021
Tel. No.: 022 – 66708600 Fax No.: 022 – 66708650
- (v) Listing on stock exchanges The Equity Shares of the Company are listed on:-
 - Bombay Stock Exchange Limited
 - The Calcutta Stock Exchange Ltd.,Annual Listing Fees as prescribed has been paid to the said Exchanges for the year 2011 – 2012.
- (vi) Stock Exchange Code 512273 (Bombay Stock Exchange Limited)
11105 (The Calcutta Stock Exchange Limited)

ARONI COMMERCIALS LIMITED

(vii) Disclosures regarding appointment or re-appointment of Directors

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Shri B. P. Kejariwal shall retire by rotation at the forthcoming Annual General Meeting. Shri B. P. Kejariwal, Shri V. V. Suresh Kumar, Shri Anilkumar Rajan and Shri Ashish Mohta who were appointed as an Additional Director of the Company w.e.f. 6th January, 2011, 17th January, 2011, 17th January, 2011 and 22nd March, 2011 respectively pursuant to the provisions of Section 260 of the Companies Act, 1956 shall hold office upto the date of the ensuing Annual General Meeting.

The Board has recommended the appointment / re-appointment of the said Directors to the shareholders. The detailed resumes of aforesaid directors are provided in the notice of the Annual General Meeting.

(viii) Stock Market price data

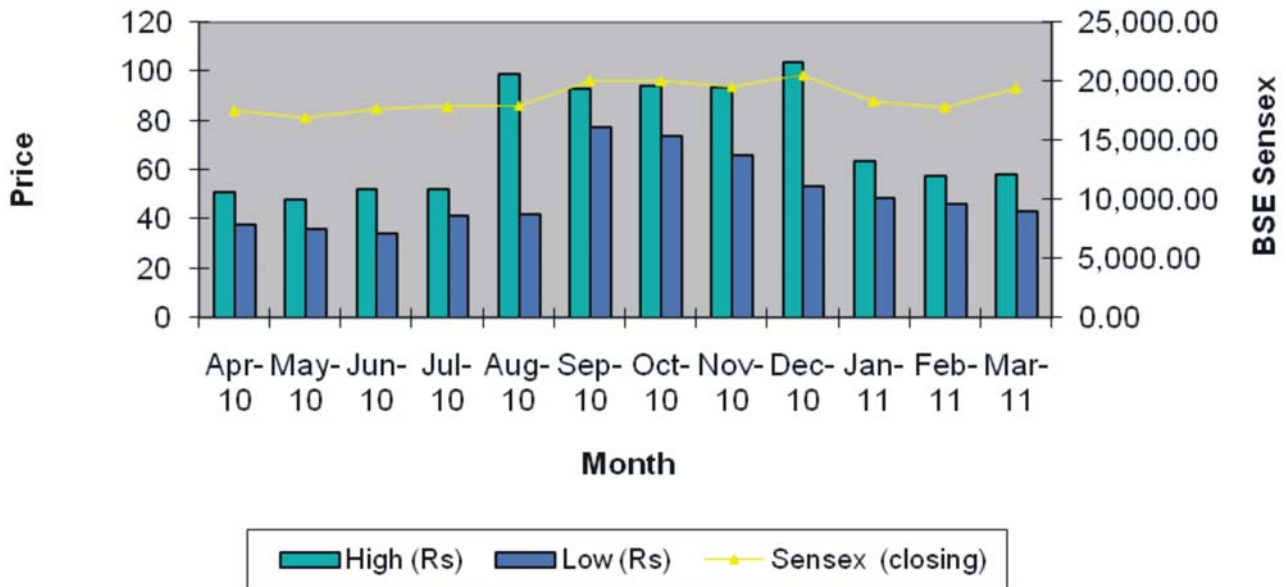
Monthly high and low at the Bombay Stock Exchange Limited for financial year ended 31st March, 2011:

Month	High Rs.	Low Rs.	BSE Sensex (Closing)
April, 2010	51.30	38.00	17,558.71
May, 2010	48.00	36.25	16,944.63
June, 2010	52.00	34.15	17,700.90
July, 2010	52.00	41.15	17,868.29
August, 2010	98.90	42.00	17,971.12
September, 2010	93.00	77.10	20,069.12
October, 2010	93.95	74.00	20,032.34
November, 2010	93.90	66.05	19,521.25
December, 2010	103.90	53.55	20,509.09
January, 2011	63.85	48.55	18,327.76
February, 2011	57.55	46.00	17,823.40
March, 2011	57.95	43.15	19,445.22

ARONI COMMERCIALS LIMITED

(ix) Performance in comparison to BSE Sensex:

Price v/s BSE Sensex



(x) Registrar and Share Transfer Agents:

Link Intime India Private Limited
 C-13, Pannalal Silk Mills Compound,
 L. B. S. Marg, Bhandup (West),
 Mumbai-400 078.
 Tel No: (022) 2596 3838
 Fax No: (022) 2594 6969
 Email-id: mumbai@linkintime.co.in

(xi) Share Transfer System:

Shares sent for physical transfer are generally registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Share Transfer Committee of the Company meets as often as required.

The total number of shares transferred in physical form during the year 2010-11 was 150 shares.

ARONI COMMERCIALS LIMITED

(xii) Distribution of Shareholding as on March 31, 2011 :

No. of Equity Shares held	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
1 - 5000	1048	89.80	131723	3.19
5001 - 10000	61	5.23	48530	1.18
10001 - 20000	34	2.91	50277	1.22
20001 - 30000	4	0.34	10398	0.25
30001 - 40000	4	0.34	14096	0.34
40001 - 50000	2	0.17	9575	0.23
50001 - 100000	2	0.17	15938	0.39
100001 & above	12	1.03	3844463	93.20
Total	1167	100.00	41,25,000	100.00

(xiii) Categories of Shareholding as on March 31, 2011 :

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
PROMOTERS HOLDING				
Indian Promoters	20	1.71	34,77,303	84.30
Foreign Promoters	1	0.09	1,98,000	4.80
Total of promoter holding	21	1.80	36,75,303	89.10
NON- PROMOTER HOLDING				
Institutional Investors				
FII's	0	0.00	0	0.00
Others				
Private Corporate Bodies	50	4.29	1,62,310	3.93
Indian Public	1077	92.29	2,81,112	6.82
NRIs / OCBs	6	0.51	880	0.02
Clearing Member	13	1.11	5,395	0.13
Total of non-promoter holding	1146	98.20	4,49,697	10.90
Grand Total	1167	100.00	41,25,000	100.00

(xiv) Dematerialisation of shares and liquidity

The Company has established connectivity with Central Depository Services (India) Limited and National Securities Depository Limited for dematerialisation of shares and the same are available in electronic segment under ISIN No. INE484B01016. As on 31st March 2011, 39,82,041 Equity Shares representing 96.53% had been dematerialized.

ARONI COMMERCIALS LIMITED

(xv) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.

There are no GDR/ADR/Warrant or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

(xvi) Plant location :

The Company does not have any plant.

(xvii) Address for Investors Correspondence:

(a) Registrar and Share Transfer Agents:
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai-400078.
Tel No: (022) 2596 3838
Fax No: (022) 2594 6969
Email-id: mumbai@linkintime.co.in

(b) **Mr Anoop Chaturvedi**
Compliance Officer
209-210, Arcadia Building, 2nd Floor,
195, Nariman Point,
Mumbai - 400021.
Tel. : 66708600, Fax. : 66708650
Email-id: aroni.investor@gcvl.in

ARONI COMMERCIALS LIMITED

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Aroni Commercials Limited.

We have examined the compliance of conditions of Corporate Governance by Aroni Commercials Limited (the Company) for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Nishant Jawasa & Associates
Company Secretaries

Nishant Jawasa
Proprietor
FCS No.: 6557

Place : Mumbai
Date : 24th August, 2011

ARONI COMMERCIALS LIMITED

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the current year.

Place: Mumbai
Date :24th August 2011

V. V. Sureshkumar
Chairman

CFO CERTIFICATION

As required by sub clause V of Clause 49 of the listing agreement with the Stock Exchange, I have certified to the Board that for the financial year ended 31st March, 2011 the Company has complied with the requirements of said sub clause.

Place : Mumbai
Date: 24th August, 2011

Anoop Chaturvedi
Chief Financial Officer

ARONI COMMERCIALS LIMITED

AUDITOR'S REPORT

To :
The Members of
ARONI COMMERCIALS LIMITED,
Mumbai.

We have audited the attached Balance Sheet of **ARONI COMMERCIALS LIMITED ("The Company")** as at 31st March 2011 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, ("**The Act**") we enclose in the Annexure a statement on the matters, specified in Paragraphs 4 and 5 of the said order.
3. Further to our comments, we report that:
 - a) We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The Balance sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the requirements of the accounting standards referred to in sub-section (3C) of Section 211 of the Act.

ARONI COMMERCIALS LIMITED

- e) on the basis of written representations received from the director's of the company as at 31st March, 2011 and taken on record by the Board of Director's, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub-section (1) of section 274 of the Act.
- f) in our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - (ii) In the case of the Profit & Loss Account, of the profit for the year ended on that date.

FOR **LALIT MEHTA ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration No. 105568W

KALPESH RANKA
PARTNER
MEMBERSHIP NO.: 113906

PLACE : MUMBAI
DATED : 28-5-2011

ARONI COMMERCIALS LIMITED

ANNEXURE TO THE AUDITOR'S REPORT *

(* Referred to in paragraph 2 of our Report of even date on the accounts of Aroni Commercials Limited for the year ended 31st March, 2011)

1. (a) The company has made available the fixed asset register showing full particulars including quantitative details and situation of fixed asset.
- (b) All the fixed assets have been physically verified by the management during the year at reasonable intervals, which in our opinion is quit reasonable. There was no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of fixed assets.
2. (a) Physical verification has been conducted by the management at reasonable intervals in respect of shares and securities.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper record of inventories. No material discrepancies were noticed on verification between the physical stocks and book records.
3. In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - (a) The company has given loans to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding at anytime during the year of those loans was Rs. 51.56 Lacs and the year-end balance was Rs. 0.01 Lacs.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest, as applicable, and other terms and conditions on which loans have been given are not prima-facie prejudicial to the interest of the company.
 - (c) In respect of loan given by the company, the payment of interest and principal amounts are payable on demand, and therefore the question of overdue amounts does not arise.
 - (d) In respect of the loans given by the Company, these are repayable on demand, and therefore the question of overdue amount does not arise.
 - (e) The Company has not taken any unsecured loan during the year.

ARONI COMMERCIALS LIMITED

- (f) In our opinion and according to the information and explanations given to us the rate of interest wherever applicable and other terms and conditions on which loans have been given are not *prima facie* prejudicial to the interest of the company.
 - (g) During the year company has not taken any loan, therefore question of payment of the principal amount and interest does not arise.
4. In our, opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control in respect of these areas.
5. (a) According to the information and explanations given to us, transactions that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of the contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable prices having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposit from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
7. In our opinion the company has adequate internal audit system commensurate with its size and nature of its business.
8. The company is not required to maintain cost records as per provisions of section 209(1) (d) of the Companies Act, 1956.
9. (a) As explained to us, the statutory dues payable by the Company comprises mainly of income-tax, sales tax, wealth tax and excise duty. According to the records of the Company and information and explanations given to us, the Company has been regularly depositing the aforesaid undisputed statutory dues with the appropriate authorities. There are no undisputed statutory dues as referred to above as of March, 2011 outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and records of the Company, the following are the particulars of disputed dues on account of income tax, excise duty, custom duty and sales tax matters that have not been deposited by the Company as at 31st March, 2011:-

ARONI COMMERCIALS LIMITED

Sr No.	Name of the Statute	Nature of the Due	Amount Rs	Period to which the amount relates	Forum where the dispute is pending	Amount Paid under Protest / Refund Adjusted (Rs)	Remark
1	Madhya Pradesh Sales Tax Act	Sales Tax Liabilities due to rejection of "C" Forms & Pending "C" Forms	80,22,602	Assessment Year 1996-97	Deputy Commissioner of Commercial Tax		No Change in Status during the year.
2	Madhya Pradesh Sales Tax Act	Sales Tax Liability due to disallowance of Rate Discount & Credit Note	10,906	Assessment Year 1998-99			No Change in Status during the year.
3.	Income Tax Act	Income Tax	3,86,53,409	Assessment Year 2005-06	CIT (Appeals), Mumbai	28,26,657 (Refund Adjustment)	Appeal Pending with CIT (Appeals)

10. The company does not have accumulated loss at the end of financial year and has not incurred cash losses in the financial year covered by our audit and in the immediate preceding financial year.
11. According to the records of Company examined by us and on the basis of information & explanations given to us, the Company has not defaulted in the repayment of dues to financial institutes, banks, Debenture holder during the year.
12. According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
13. In our opinion, the company is no a chit fund or a nidhi / mutual benefit fund/ society. Therefore provisions of clause 4(xi) of the Companies (Auditor's Report) Order,2003 are not applicable to the company.
14. Based on our examination of the records and evaluations of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts relating to shares, securities and other investments dealt in by the Company and timely entries have been made in the records. We also report that the Company has held the shares, securities and other investments in its own name.
15. According to the information and explanations and given to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions. Therefore provisions of clause 4(xv) of Companies (Auditor's Report) Order, 2003 are not applicable to the company.

ARONI COMMERCIALS LIMITED

16. During the year company has not taken any new Term Loan & Term Loan taken by company in previous years has been utilized for the purpose for which it is obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that no fund raised on short-term basis has been used for long term investment.
18. The company has not issued any preferential allotment of shares during the year. Therefore, provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
19. The company has not issued any debentures. Therefore, provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
20. The company has not raised any money by way of public issue during the year. Therefore, provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

FOR LALIT MEHTA ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 105568W

KALPESH RANKA
PARTNER
MEMBERSHIP NO.: 113906

PLACE : MUMBAI
DATED : MAY 28, 2011

ARONI COMMERCIALS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31/3/2011 Rs.	As at 31/3/2010 Rs.
A. SOURCES OF FUNDS :			
1. SHAREHOLDER'S FUNDS			
a) Share Capital	" A "	41250000	41250000
b) Reserves and Surplus	" B "	555027682	531062804
		596277682	572312804
2. LOAN FUNDS			
a) Secured Loan	" C "	3092516	4478333
TOTAL (1 + 2)		599370198	576791137
B. APPLICATION OF FUNDS :			
1. FIXED ASSETS			
Gross Block	" D "	8460814	8460814
Less : Depreciation		5136404	3997728
Net Block		3324410	4463086
2. INVESTMENTS			
3. CURRENT ASSETS.			
<u>LOANS AND ADVANCES</u>			
a) Sundry Debtors	" F "	-	321900
b) Cash and Bank Balances	" G "	772562	621729
c) Loans and Advances	" H "	50964090	43036557
		51736652	43980186
Less : <u>Current Liabilities and Provisions</u>	" I "	14880928	21794510
Net Current Assets		36855724	22185676
TOTAL (1 to 3)		599370198	576791137

Notes On Accounts

'N'

In Terms of Our Attached Report of Even Date

FOR LALIT MEHTA ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN 105568W

For and on behalf of the
 Board of Directors

KALPESH RANKA
 PARTNER
 MEMBERSHIP NO.: 113906

V. V. SURESHKUMAR
ANILKUMAR RAJAN
 Directors

PLACE : MUMBAI
 DATED : MAY 28, 2011

ARONI COMMERCIALS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	As on 31-3-2011 Rs.	As on 31-3-2010 Rs.
INCOME			
Interest Received		17956	631135
(T.D.S NIL P.Y.59606/-)			
Other Income	“ J “	27480968	12160801
		27498924	12791936
EXPENSES			
Increase / (Decrease) in Stock	“K“	-	-
Administration and Other expenses	“L“	7593598	1761294
Employees Remuneration & Benefits	“M“	1333614	1138224
Interest and finance charges		566802	2991671
Depreciation		1138676	1536123
		10632690	7427312
Net Profit before tax		16866234	5364624
Add/(Less) : Provision for tax			
- for Current Year		(1765000)	-
- for Previous Year		(154357)	2652632
- for Deferred Tax		9018001	188305
Net Profit after tax		23964878	8205561
Add : Balance Brought Forward		348947134	340741573
Balance carried over to Balance Sheet		372912012	348947134
Basic & diluted earnings per share (Rs.)		5.81	1.99

Notes On Accounts

‘N’

In Terms of Our Attached Report of Even Date

FOR LALIT MEHTA ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN 105568W

For and on behalf of the
 Board of Directors

KALPESH RANKA
 PARTNER
 MEMBERSHIP NO.: 113906

V. V. SURESHKUMAR
ANILKUMAR RAJAN
 Directors

PLACE : MUMBAI
 DATED : MAY 28, 2011

ARONI COMMERCIALS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31/3/2011 Rs.	As at 31/3/2010 Rs.
SCHEDULE 'A'		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
75,00,000 Equity Shares of Rs.10/- each	75000000	75000000
	75000000	75000000
ISSUED, SUBSCRIBED AND PAID UP		
41,25,000 Equity Shares of Rs.10/- each fully paid up [of the above 2719000 Equity shares were issued as fully paid up bonus shares by way of capitalisation of share premium and reserves]	41250000	41250000
	41250000	41250000
SCHEDULE 'B'		
<u>RESERVES AND SURPLUS</u>		
General Reserves		
As per last year	177575670	177575670
<u>Securities Premium</u>	4540000	4540000
Profit & Loss Account		
As per Account Annexed	372912012	348947134
	555027682	531062804
SCHEDULE 'C'		
<u>SECURED LOAN</u>		
Loan from ICICI Bank against Hypothecation of Car	3092516	4478333
	3092516	4478333

ARONI COMMERCIALS LIMITED

SCHEDULE - 'D' SCHEDULES D FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost As At 1.4.2010 Rs.	Deletion	Total Rs.	As at 1.4.2010 Rs.	FOR THE YEAR Rs.	Total Depreciation Rs.	Written Down Value as on 31.03.2011 Rs.	Written Down Value as on 31.03.2010 Rs.
Land	58870	-	58870	-	-	-	58870	58870
Motor Car	8318588	-	8318588	3927530	1136845	5064375	3254213	4391058
Office Equipments	28090	-	28090	24080	558	24638	3452	4010
Telephone	22000	-	22000	15423	915	16338	5662	6577
Other Equipments	33266	-	33266	30695	358	31053	2213	2571
TOTAL	8460814	-	8460814	3997728	1138676	5136404	3324410	4463086
PREVIOUS YEAR	8869955	409141	8460814	2461605	1536123	3997728	4463086	-

ARONI COMMERCIALS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 'E'

INVESTMENT - Non-Trade Fully Paid Up

Number		Face Value Rs.		AS AT	AS AT
AS AT 31.03.2011	AS AT 31.03.2010			31.03.2011	31.03.2010
				Rs.	Rs.
<u>Equity Shares</u>					
<u>A] Quoted at cost</u>					
75666	75666	2	Anant Raj Industries Limited	6856875	6856875
169706	169706	10	Asian Granito India Limited	5206115	5206115
25283	25283	10	Century Textile & Industries Ltd	10421383	10421383
-	48000	2	Compucom Software Limited	-	1056270
1	1	10	Development Credit Bank Ltd.	26	26
700000	250000	10	Genus Power Infrastructures Limited	39200000	140000000
2350919	2871000	10	Geecee Ventures Limited	220581377	222741777
-	5000	1	Hindustan Contraction Company Ltd.	-	672671
-	80000	10	Idea Cellular Ltd.	-	17739800
-	95001	10	JBF Industries Ltd	-	7088025
116000	116000	10	Joindre Capital Services Limited	1809490	1809490
-	54225	2	Kajaria Ceramics Ltd	-	1551265
17043	17043	10	Mold-Tek Technologies Ltd	1643286	1643286
89498	89498	10	NHPC Ltd	3221928	3221928
288370	288370	10	Patel Integrated Logistics Ltd	7566265	7566265
43120	43120	10	Pokarna Ltd	2123332	2123332
1	1	10	Shree Ganesh Forgings Ltd	30	30
1	1	10	SICAL Logistics Ltd.	28	28
1	1	10	SICAGEN India Ltd	-	-
10	10	2	Siemens Ltd.	1130	1130
107997	107997	10	SPL Industries Ltd	3506963	3506963
2	2	2	United Phosphorous Ltd.	108	108
1	1	10	United Spirits Ltd (Mcdowell)	69	69
Total				302138405	433206835

ARONI COMMERCIALS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 'E'

INVESTMENT - Non-Trade Fully Paid Up

Number		Face Value Rs.		AS AT	AS AT
AS AT 31.03.2011	AS AT 31.03.2010			31.03.2011	31.03.2010
				Rs.	Rs.
			B] Unquoted at cost		
3108	2000	10	GeeCee Business Pvt Ltd (Formerly known as Ananya Online IT-Designs Pvt Ltd)	6848650	4411050
11200	11200	10	Arkaya Commercial Pvt. Ltd.	112000	112000
2400000	2400000	10	Four Dimensions Capital Markets Pvt. Ltd	24000000	24000000
-	80000	10	Four Dimensions Commodities Pvt. Ltd.	-	3200000
12495	12495	10	Four Dimensions Securities (I) Ltd	206168	206168
-	580	100	Girdhar Morari Agro & Research Pvt Ltd	-	58000
35000	35000	10	GeeCee Investments Ltd (Formerly known as Jacqart Financial Services Limited)	59800	59800
20000	20000	10	Mahotsav Trading & Finance Pvt. Ltd.	200000	200000
5850	-	10	Rakhee Dyechem Pvt Ltd.	58500	-
20000	20000	10	Sareshwar Trading & Finance Pvt. Ltd.	200000	200000
13500	13500	10	Windsor Trading & Finance Pvt. Ltd.	135000	135000
			C] Preference Shares		
			[Non cumulative Redeemable Partly paid up]		
250	250	100	10% Arkaya Commercial Pvt. Ltd.	6250	6250
			D] Venture Capital Fund		
1000	1000	940	Kshitij Venture Capital Fund	9400000	10000000
540	540	100000	Urban Infrastructure Opportunity Fund	54800000	54800000
			F] Mutual Fund		
-	1598553.5252		Kotak Liquid (Institutional) Daily Dividend	-	19547272
4000480.056	-		Kotak Quarterly Interval Plan Series 3- Growth	50000000	-
3878314.019	-		Kotak Quarterly Interval Plan Series 1- Growth	50000000	-
1814367.9444	-		Kotak Liquid (Institutional Premium) Growth	36025292	-
1943120.963	-		Kotak Quarterly Interval Plan Series 2- Growth	25000000	-
				559190065	550142375
			Aggregate book value of Quoted Investments	463163697	452754107
			Aggregate market value of Quoted Investments	307382554	419859223

ARONI COMMERCIALS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31/3/2011 Rs.	As at 31/3/2010 Rs.
SCHEDULE ' F '		
<u>SUNDRY DEBTORS</u>		
(Unsecured but considered good)		
Debts outstanding for the period more than six months	-	321900
	-	321900
SCHEDULE ' G '		
<u>CASH AND BANK BALANCES</u>		
Balances with Scheduled Banks		
- in Current Account	374860	199666
- in Fixed Deposit	375614	386799
Cash in Hand	22088	35264
	772562	621729
SCHEDULE ' H '		
<u>LOANS AND ADVANCES</u>		
(Unsecured but considered good)		
Deferred Tax Asset	9413656	395655
Advance Income Tax	25890096	29394611
Advance F.B.T.	151493	198310
Advances and Deposits	15406719	10337193
Interest Receivable	1096	156,957
Prepaid Expenses	101030	116231
Share Application Money	-	2437600
	50964090	43036557
SCHEDULE ' I '		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
A) <u>CURRENT LIABILITIES</u>		
Sundry Creditors	127710	61566
Other Liabilities	25707	63433
	153417	124999
B) <u>PROVISIONS</u>		
Provision for Taxation	14587511	21482511
Provision for F.B.T	140000	187000
	14727511	21669511
(A+B)	14880928	21794510

ARONI COMMERCIALS LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11 Rs.	2009-10 Rs.
SCHEDULE ' J '		
<u>OTHER INCOME</u>		
Dividend Received	9572557	9765625
Profit on Sale of Investments	17908411	918317
Profit on Sale of Fixed Assets	-	1476859
	27480968	12160801
SCHEDULE ' K '		
<u>INCREASE / (DECREASE) IN STOCK</u>		
CLOSING STOCK	-	-
LESS : OPENING STOCK	-	906168
Less: Transfer of Investment	-	906168
	-	-
SCHEDULE ' L '		
<u>ADMINISTRATION AND OTHER EXPENSES</u>		
Legal and professional charges	1162562	837233
Membership & Subscription	5526985	-
STT Charges	106855	525308
Motor Car Expense	132979	116077
Insurance Charges	133372	108146
Advertisement	55708	56331
Payment to Auditors		
- Audit Fees	30000	30000
- Tax Audit Fees	10000	10000
Printing and stationery	24341	20400
Traveling and conveyance	-	5000
Telephone Expenses	55986	-
Postage and telegram	8774	11871
Rent, rates and taxes	17526	6620
Bank charges	-	1387
Share depository charges	1229	2013
Sundry Balances W/off	327281	30908
	7593598	1761294

ARONI COMMERCIALS LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11 Rs.	2009-10 Rs.
SCHEDULE ' M '		
<u>EMPLOYEES REMUNERATION & BENEFITS</u>		
Salary	828037	702313
Ex-Gratia	138040	120116
Other Allowance	97200	94330
Leave Travel Allowance	93200	79400
Leave Salary	75599	60551
Bonus	36400	40400
Conveyance Allowance	18120	24695
Washing Charges	2400	1200
Staff Welfare	25142	6920
Conveyance	19476	8299
	1333614	1138224

ARONI COMMERCIALS LIMITED

SCHEDULE 'N'

Notes on accounts annexed to and forming part of the Balance Sheet as at 31st March, 2011 and Profit and Loss account for the year ended on that date.

1. SIGNIFICANT ACCOUNTING POLICIES

Accounting Concept

These accounts are prepared on historical cost basis and on accounting principles of the going concern. Accounting policies not specifically referred to otherwise, are consistent and in consonance with Generally accepted accounting principles (GAAP) comprising of mandatory Accounting Standards, Guidance notes, etc. issued by ICAI. The Company follows mercantile system of accounting recognising income and expenses on accrual basis.

Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

Depreciation

Depreciation on fixed assets has been provided on Written Down Value Method as provided in Section 205 (2) (b) of the Companies Act, 1956 read with Schedule XIV of the Act on pro-rata basis.

Investments

Long Term Investments are stated at Cost. The Company has not provided for decrease in value of investment as in the opinion of the management decrease in value is not permanent in nature as per guidelines of Accounting Standard 13 – “Accounting for Investment”.

Revenue Recognition

Terms of income and expenditure are recognized on accrual basis

2. NOTES TO ACCOUNTS :

Related Party Transactions

Disclosure of transactions with related parties, as required by Accounting Standard 18 “Related Party Disclosure” is given below:

i)	i). <u>Relationships:</u> a) Directors of the Company	Shri V. V. Sureshkumar Shri Anilkumar Rajan Shri Bhagwati Prasad Kejariwal Shri Ashish Mohta
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ARONI COMMERCIALS LIMITED

b) Associate Concerns	<ul style="list-style-type: none"> ● Arcies Laboratories Ltd. ● Antique Stock Broking Ltd. ● Antique Finance Private Limited. ● Arkaya Commercials Pvt. Ltd. ● Better Time Realtors P Ltd. ● GeeCee Business Pvt Ltd (Formerly known as Ananya Online IT Designs Pvt Ltd) ● GeeCee Ventures Ltd. ● GTZ (Bombay) Pvt. Ltd. ● Grey River Energy Pvt Ltd. ● GeeCee Investments Ltd. (Formerly known as Jacqart Financial Services Ltd.) ● Four Dimensions Securities (India) Ltd. ● Four Dimensions Capital Markets Pvt. Ltd. ● Four Dimensions Commodities Pvt. Ltd. ● Mahotsav Trading & Finance Pvt. Ltd. ● New Age Dyes & Chemicals Pvt Ltd. ● Rohit Financial Services ● Red Socks Realtors Pvt Ltd ● Sam Jag-Deep Investments Pvt Ltd ● Saraswati Commercial (India) Ltd. ● Sateshwar Trading and Finance Pvt. Ltd. ● Urudavan Investment and Trading Pvt. Ltd. ● Vidushan Commercial & Investment Pvt Ltd. ● Windsor Trading and Finance Pvt. Ltd. ● Winro Commercial (India) Ltd.
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B. Details of transactions with above said parties:

Particulars	Companies Under the common Management (Amount in Rs.)	Directors of the company & their relatives (Amount in Rs.)	Total (Amount in Rs.)
Purchase of shares (Investment & Stock)	2437600	-	2437600
Sale of Shares (Investment & Stock)	3200000	-	3200000
Tender of Shares in buy back offer	62409720	-	62409720
Brokerage Paid	17111	-	17111
Interest received on Loan	1096	-	1096

ARONI COMMERCIALS LIMITED

Outstanding Loan/ Advances Receivable	1096	-	1096
Dividend Received	3526379	-	3526379
Investment	252349245	-	252349245

3. Loans given include interest-bearing loans to associate companies as under:

Sr. No.	Name of the Company	Financial Year 2010-2011	Financial Year 2009-2010
I)	Four Dimensions Securities (I) Ltd (Maximum outstanding during the year Rs. 50,00,000/-, 2009-10 Rs. 400000/-)	1096/-	1287/-
II)	Winro Commercial (India) Ltd (Maximum outstanding during the year Rs. 155670/-, 2009-10 Rs. 75900000/-)	-	155670/-

4. Segment Reporting

As the company's business activity falls within single segment viz. Investment in shares and mutual fund the disclosure requirements of Accounting Standard 17 "Segment Reporting" issued by Institute of Chartered Accountants of India is not applicable.

5. Taxation

Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing difference being differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is a virtual certainty that sufficient taxable profits will be available against which such deferred assets can be realised.

6. Contingent Liabilities not provided for in respect of:

- (i) Contingent liabilities not provided for uncalled liability on
 - a) Partly paid up preference shares Rs.18,750/-.
- (ii) As per Policy & Notification issued by MP State Government, the company had availed sales tax exemption in respect of wind mills till 15.03.1999 amounting to Rs.988.25 lacs in compare to Rs.350.51 lacs as per eligibility certificates issued by Madhya Pradesh Uraja Vikas Nigam. Against Eligibility Certificate company had filed writ petition in High Court of Indore and matter was decided in favour of Company. However Madhya Pradesh Uraja Vikas Nigam has filed second appeal before the special bench of Hon'ble High Court of Indore, which is still pending.

ARONI COMMERCIALS LIMITED

- (iii) Demand of Rs.80,22,602/- is pending under Madhya Pradesh Sales Tax Act against which appeals have been filed with Deputy Commissioner of Commercial Tax, same has been set aside for reassessment .
- (iv) During F.Y. 2004-05, Company has kept Rs.100.70 Lacs in Escrow account with Calyon Bank, Nariman Point Branch for any demands of stamp duty, penalties and liabilities that may arise on the scheme of arrangement as approved by the High Court of Judicature at Mumbai in terms of which company has transferred its Aluminium Chloride undertaking and wind mill undertaking to Nagda Orgo Chem Private Limited under section 391 to section 394 of the companies Act, 1956. The matter is pending before the High court –Indore.
- (v) NEPC India Limited has instituted a suit against the company in the court of II FAST TRACK JUDGE Madras for deferment of payment to the NEPC India Limited the sum of Rs. 20,47,156/- together with interest at 24% p.a on Rs. 10,53,450/-.
- (vi) As per Income Tax Department following tax demand is outstanding against the company & it has not been provided in the accounts.

Assessment Year	Demand (Rs)	Amount paid under Protest / Refund Adjusted	Status of Appeal
2005-06	3,86,53,409	28,26,657	Appeal Pending with CIT (Appeals)
2006-07	10,00,000	10,00,000	Income Tax Appellate Tribunal

7. Sundry Debtors and Creditors are subject to confirmation/reconciliation.
8. In the opinion of Board, the current assets loans and advances have value on realisation in the ordinary course of business at least equal to the amounts at which they are stated otherwise, the provisions for depreciation and all known liabilities are adequate and not in excess of amount required.
9. Fixed deposits with bank of Rs. 3,75,614/- includes fixed deposit of Rs.3,08,871/- in the name of District and Session Judge, Ujjain deposited as guarantee money, and balance amount is subject to reconciliation and adjustment on confirmation from bank. No income on said deposit is accounted.
10. The break up of deferred tax assets and the effect on Profit & Loss Account are as under: -

Nature of timing Difference	Debited to Profit & Loss Account	
	2010-2011 Rs.	2009-2010 Rs.
Deferred Tax Income/(Expense)	9018001	188305

ARONI COMMERCIALS LIMITED

11. Additional information as required under Schedule VI of the Companies Act, 1956.

A) QUANTITATIVE PARTICULARS:

	PARTICULARS	2010-2011		2009-2010	
		QUANTITY	AMOUNT	QUANTITY	AMOUNT
			Rs.		Rs.
a)	<u>OPENING STOCK</u>	-	-	82495	906168
		-	-	82495	906168
b)	<u>PURCHASES</u>	-	-	-	-
		-	-	-	-
c)	<u>SALES</u>	-	-	-	-
		-	-	-	-
d)	<u>TRANSFER TO INVESTMENTS</u>	-	-	82495	906168
		-	-	82495	906168
e)	<u>CLOSING STOCK</u>	-	-	-	-
		-	-	-	-

B) Expenditure in foreign currency: -

PARTICULARS	F.Y.2010-11 AMOUNT	F.Y. 2009-10 AMOUNT
Foreign Traveling	Nil	Nil

12. Amount of Interest & finance debited to profit & loss account Rs. 5,66,802/- includes interest on Income tax paid Rs. 1,66,119/- for assessment orders received during the year of earlier years.

13. Company has valued its Long term Investment at cost & has not considered decrease in the market value of Investment as in the opinion of management decrease in market value is not permanent & hence as per guidelines of Accounting Standard 13 – “Accounting for Investment” it has been valued at cost. Had it been valued at lower of cost or market value Profit for the year would have been lower by Rs. 15,57,81,143/-.

14. Payment to Auditors	FY 2010-11 Amount	FY 2009-10 Amount
Audit fees	30,000	30,000
Tax Audit fees	10,000	10,000
Other	12,500	5,000
	<u>52,500</u>	<u>45,000</u>

ARONI COMMERCIALS LIMITED

15. Earnings per Share	FY 2010-11	FY 2009-10
Profit after taxation attributable to equity Shareholders -		
As per profit & loss account (Rs. Lacs)	239.65	82.06
Equity shares outstanding (Nos.)	4125000	4125000
Earning per share-basic/diluted (Rs.)	5.81	1.99

16. Balance sheet abstract and the company

I. REGISTRATION DETAILS			
Registration No.	U7499MH1985PLC035047	State Code	11
Balance Sheet Date	31.03.2011		
II. CAPITAL RAISED DURING THE YEAR		(Amount in Rs. Thousand)	
Public Issue	NIL	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS			
Total Liabilities		Total Assets (Amount in Rs. Thousand)	
	599370		599370
SOURCES OF FUNDS		APPLICATION FUNDS	
Paid-up Capital	41250	Net Fixed Assets	332
Reserves & Surplus	555027	Investments	559190
Secured Loans	3093	Net Current Assets	36856
Unsecured Loans	-	Misc. Expenditure	-
		Profit & Loss Account	-
IV. PERFORMANCE OF THE COMPANY			
Turnover	27499	Total Expenditure	10633
Profit/Loss before tax	16866	Profit/Loss before tax	23965
Earning Per Share	5.81	Dividend %	-
V. GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF COMPANY			
Item Code No. (ITC Code)	-		
Product Description	Investment and finance		

ARONI COMMERCIALS LIMITED

17. Previous year figures have been re-grouped or re-arranged wherever deemed necessary.

SIGNATURES TO SCHEDULE 'A' TO 'N'

In terms of our attached report of even date

FOR **LALIT MEHTA ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN No. 105568W

KALPESH RANKA
PARTNER
MEMBERSHIP NO.: 113906

PLACE : MUMBAI
DATED : MAY 28, 2011

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

V. V. SURESHKUMAR
ANILKUMAR RAJAN
DIRECTORS

ARONI COMMERCIALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Figures in Lacs)

	2010-11	2009-10
A) Cash Flow for operating activities:		
Net Profit/(Loss) before Tax & Extra ordinary items	168.66	53.65
<u>Adjustments for :-</u>		
Depreciation	11.39	15.36
interest on Income Tax	1.66	22.09
Dividend income	(95.73)	(97.66)
Profit on sale of Investment	(179.08)	(9.18)
Profit on sale of Fixed Assets	-	(14.77)
Operating loss before Working Capital changes	(93.10)	(30.51)
<u>Adjustments for :-</u>		
Trade & other receivables	(21.39)	(10.17)
Trade payables	0.28	(0.55)
Cash generated from operations	(114.21)	(41.23)
Direct taxes paid	(54.76)	(19.30)
Cash flow before extra ordinary items	(168.97)	(60.53)
Extraordinary Item	-	-
Net Cash from operating activities	(168.97)	(60.53)
B) Cash flow from investing activities		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	18.86
Sale/(Purchase) of Investments	88.61	(45.85)
Dividend Received	95.73	97.66
Net cash used in investing activities	184.34	70.67
C) Cash Flow from financing activities		
Proceeds from Long Term borrowings	(13.86)	(12.50)
Net cash used in Financing activities	(13.86)	(12.50)
Net change in cash & Cash equivalents (A+B+C)	1.51	(2.36)
Cash & Cash equivalents as at 1st April (opening balance)	6.22	8.58
Cash & Cash equivalents as at 31st March (Closing balance)	7.73	6.22

For and on behalf of the Board

V. V. SURESHKUMAR

CHAIRMAN

Place : Mumbai
Dated : May 28, 2011

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of Aroni Commercials Limited derived from the audited financial statements and the books and records maintained by the Company for the year ended 31st March, 2011 and 31st March, 2010 and found the same in agreement therewith.

FOR LALIT MEHTA ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 105568W

Place : Mumbai
Dated : May 28, 2011

KALPESH RANKA
PARTNER
MEMBERSHIP NO.: 113906

ARONI COMMERCIALS LIMITED

Regd. Office: at 209-210, Arcadia Building, 2nd Floor,
195 Nariman Point, Mumbai - 400021

PROXY FORM

I / We _____
of _____

being a member/members of **ARONI COMMERCIALS LIMITED** hereby appoint
Mr./Mrs./Ms _____ of _____ or failing
him/her Mr./Mrs./Ms _____ of _____
as my/our Proxy to attend and vote for me/us and on my/our behalf at the 26th Annual General Meeting
of the Company, to be held on the **24th** day of **September, 2011** at 29, Bank Street, 1st Floor, Fort,
Mumbai-400 001 at **5:00 p.m.** and at any adjournment thereof.

Regd. Folio. No. _____ No. of Shares held _____

Client ID No. _____ DP ID No. _____

Signed this _____ day of _____ 2011

For Office Use	
Proxy No.	
Date of Receipt	
No. of Shares	

Affix
Re. 1.00
Revenue
Stamp

(Signature)

Note:

- 1) The Proxy Form should be signed across the stamp as per specimen signature recorded with the Company.
- 2) The Proxy form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

ARONI COMMERCIALS LIMITED

Regd. Office: at 209-210, Arcadia Building, 2nd Floor,
195 Nariman Point, Mumbai - 400021

ATTENDANCE SLIP

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company held at 29, Bank Street, 1st Floor, Fort, Mumbai-400 001 held on **24th** day of **September, 2011** at **5 : 00 p.m.**

Name _____

Regd. Folio No. _____ No. of Shares held _____

Client ID No. _____ DP ID No. _____

Name of Proxy/Representative, if any _____

Signature of the Shareholder(s)/Proxy/Representative _____

Note: Member/Proxy attending the Meeting must fill-in this Attendance Slip and hand it over at the entrance of the venue of this Meeting.

BOOK POST

If undelivered, please Return to :
ARONI COMMERCIALS LIMITED
209-210, Arcadia, 2nd Floor, 195 Nariman Point,
Mumbai - 400 021.