

ARONI COMMERCIALS LIMITED

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**23<sup>RD</sup> Annual Report**  
**2007 - 2008**

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**BOARD OF DIRECTORS**

Shri Ashwin Kumar Kothari  
 Shri Rohit Kothari  
 Shri Umaidmal Kala  
 Shri Rajnikant Khalpada

**BANKERS**

HDFC Bank  
 State Bank of India  
 UCO Bank

**AUDITORS**

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

**REGISTERED OFFICE**

K. K. Chambers, 4<sup>th</sup> Floor,  
 Sir Purshothamdas Thakurdas Marg,  
 Fort, Mumbai - 400 001.

**NAGDA OFFICE**

Birlagram, Nagda - 456 331  
 Madhya Pradesh.

**REGISTRAR & SHARE TRANSFER AGENT**

**INTIME SPECTRUM REGISTRY LIMITED**

C - 13, Pannalal Silk Mills Compound,  
 L.B.S. Marg, Bhandup (West),  
 Mumbai – 400 078.

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**NOTICE**

**NOTICE** is hereby given that the Twenty Third Annual General Meeting of the Members of **Aroni Commercials Limited** (Formerly Aroni Chemical Industries Ltd) will be held at 29, Bank Street, 1<sup>st</sup> Floor, Fort, Mumbai-400023 on Saturday, the 27<sup>th</sup> day of September, 2008 at 5.00 P.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2008 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 Umaidmal Kala, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

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

“**RESOLVED THAT** Shri Rajnikant Khalpada, who was appointed as an Additional Director of the Company on 26<sup>th</sup> March, 2008 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 Rajnikant Khalpada 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.”

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Dated: 18<sup>th</sup> August, 2008**

**ASHWIN KUMAR KOTHARI**  
**CHAIRMAN**

**REGISTERED OFFICE:**

K. K. Chambers,  
4<sup>th</sup> Floor,  
Sir Purshottamdas Thakurdas Marg,  
Fort, Mumbai- 400 001.

**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, 20th September 2008 to Saturday, 27<sup>th</sup> September, 2008 (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 Intime Spectrum Registry 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 person, seeking re-appointment as Directors under Item Nos. 2 and 4 above, is annexed.
8. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item No. 4 is annexed hereto.

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

Name	Shri Umaidlal Kala	Shri Rajnikant Khalpada
Date of Birth	14 <sup>th</sup> September, 1942	10 <sup>th</sup> December, 1974
Qualification	Bachelor of Commerce	S.Sc
Nature of Expertise	Service	Business
Experience	Experience of over 28 years of Handling Commercial and Management aspects of Organisation.	Experience of over 30 years of trading in various commodities and in Investments.
Name of Companies in which he also holds Directorship	Meenul Metallizing Private Limited	NIL
Name of the Companies in Committees of which holds membership / chairmanship	NIL	NIL
Shareholding in Aroni Commercials Limited	NIL	NIL

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

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**Item No. 4**

Shri Rajnikant Khalpada was appointed as an Additional Director of the Company w.e.f. 26<sup>th</sup> March 2008 and will hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention for appointment of Shri Rajnikant Khalpada as a Director of the Company.

Considering varied experience of Shri Rajnikant Khalpada in field of trading in various commodities and in Investments it will be in the interest of the company to appoint him as a director. Your Director recommends the appointment of Shri Rajnikant Khalpada as a Director.

None of the Directors except Shri Rajnikant Khalpada are interested or concerned in the aforesaid resolution.

For and on Behalf of the Board of Directors

Place : Mumbai  
Dated : 18th August, 2008

**ASHWIN KUMAR KOTHARI**  
**CHAIRMAN**

## ARONI COMMERCIALS LIMITED

## DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2008.

**FINANCIAL HIGHLIGHTS:**

Particulars	(Amount in Lacs)	
	Year ended 31.03.2008	Year ended 31.03.2007
Interest Received and other Income	874.53	682.33
Profit before Interest, Depreciation, Extraordinary items and Tax	835.80	653.52
Less: Interest	0.05	0.14
Less: Depreciation	3.26	0.03
Profit before Tax	832.49	653.35
Add/(Less): Provision for Taxation		
a) Current	(86.60)	(68.00)
b) Previous Year	-	(1.06)
c) Deferred Tax Expenses	(1.02)	0.01
d) Fringe Benefit tax	(0.47)	(0.01)
Net Profit after Taxation	744.40	584.29
Balance brought forward from Previous Year	2638.84	2054.55
Profit available for appropriation	3383.24	2638.84
Balance Carried Forward	3383.24	2638.84

**Dividend:**

Your Directors do not recommend any dividend for the year ended on 31<sup>st</sup> March 2008 with a view to conserve the resources for future.

**Operations & Performance:**

During the year ended 31<sup>st</sup> March, 2008, your Company achieved a total income aggregating to Rs. 874.53 Lacs. After providing for Depreciation, Finance Charges and Taxation, the Company has registered a profit before tax of Rs. 832.49 Lacs. After making provision for tax in respect of current year amounting to Rs. 86.60 Lacs, the profit after tax of Rs. 744.40 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.

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**Directors:**

Shri Vasantlal Bhavsar resigned as Director w.e.f. 26<sup>th</sup> March, 2008. The Board places on record their deep appreciation for the services rendered by Shri Vasantlal Bhavsar during their respective tenure on the Board.

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

Shri Rajnikant Khalpada was appointed as an Additional Director of the Company w.e.f. 26<sup>th</sup> March 2008 pursuant to Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company. He will hold his office as such till the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the said act from a shareholder proposing the candidature of the said Additional Director for the office of Director of the Company.

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 31<sup>st</sup> March, 2008 and of the profit of the Company for the year 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 31<sup>st</sup> March, 2008 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 31<sup>st</sup> March, 2008 are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

**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.

B] Foreign Exchange Earnings & Outgo:

**(Rs. In Lacs)**

<b>PARTICULARS</b>	<b>2007-2008</b>	<b>2006-2007</b>
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**

**Place: Mumbai**  
**Dated: 18<sup>th</sup> August, 2008**

**ASHWIN KUMAR KOTHARI**  
**CHAIRMAN**



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

Aroni Commercials Limited (ACL) 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 consist of optimal combination of Non-Executive and Independent directors. As on 31<sup>st</sup> March, 2008 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		
		Directorships*	Committee Memberships#	Committee Chairmanships#
Shri Ashwin Kumar Kothari	Chairman, Non-Executive, Promoter	11	1	2
Shri Rohit A. Kothari	Non-Executive, Promoter	6	—	—
Shri Vasantlal J. Bhavsar (Resigned w.e.f. 26/03/2008)	Non-Executive Independent	—	—	—
Shri Umaidmal Kala	Non-Executive, Independent	—	—	—
Shri Rajnikant Khalpada (Appointed as an Additional Director w.e.f. 26/03/2008)	Non-Executive, Independent	—	—	—

\* 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 31<sup>st</sup> March, 2008 i.e. on 10<sup>th</sup> April 2007, 16<sup>th</sup> June 2007, 4<sup>th</sup> July 2007, 31<sup>st</sup> July 2007, 8<sup>th</sup> August 2007, 24<sup>th</sup> August 2007, 24<sup>th</sup> October 2007, 25<sup>th</sup> January 2008, 20<sup>th</sup> February 2008 and 26<sup>th</sup> March 2008. The Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2007-08 and the last AGM:

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Shri Ashwin Kumar Kothari	10	9	No
Shri Rohit A. Kothari	10	9	Yes
Shri Vasantlal J. Bhavsar (resigned w.e.f. 26/03/2008)	10	9	No
Shri Umaidmal Kala	10	8	No
Shri Rajnikant Khalpada (Appointed as an Additional Director w.e.f. 26/03/2008)	10	0	NA

**(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 Director**

Name of the Non-Executive Director	Equity Shares held (No.)
Shri Ashwin Kumar Kothari	2,82,640
Shri Rohit A. Kothari	3,10,005
Shri Vasantlal J. Bhavsar (resigned w.e.f. 26/03/2008)	NIL
Shri Umaidmal Kala	NIL
Shri Rajnikant Khalpada	NIL

**(C) Board Committees**

To enable better and more focussed 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")
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:
  - (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 1<sup>st</sup> April 2007 the Audit Committee comprised of Shri Umaidmal Kala (Chairman), Shri Rohit Kothari and Shri Vasantlal Bhavsar.

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

- Shri Vasantlal Bhavsar resigned as member w.e.f. 26<sup>th</sup> March, 2008
- Shri Rajnikant Khalpada appointed as a member of the Committee w.e.f. 26<sup>th</sup> March, 2008

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

1. Shri Umaidmal Kala, Chairman
2. Shri Rohit Kothari
3. Shri Rajnikant Khalpada

**(d) Audit Committee Meetings and Attendance during the financial year ended 31<sup>st</sup> March, 2008**

During the financial year ended 31<sup>st</sup> March, 2008, Four Audit Committee Meetings were held on 4<sup>th</sup> July 2007, 31<sup>st</sup> July 2007, 24<sup>th</sup> October 2007 and 25<sup>th</sup> January 2008. The table hereunder gives the attendance record of the Audit Committee members.

Name of the Audit Committee Members	No. of meetings held	No. of meetings attended
Shri Umaidmal Kala	4	4
Shri Vasantlal J. Bhavsar (resigned w.e.f. 26 <sup>th</sup> March, 2008)	4	4
Shri Rohit Kothari	4	4
Shri Rajnikant Khalpada	4	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 31<sup>st</sup> March, 2009 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 is headed by a Non-Executive Director and consisted of the following members as on 1<sup>st</sup> April, 2007:

Shri Ashwin Kumar Kothari, Chairman  
Shri Vasantlal Bhavsar

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

- Shri Vasantlal Bhavsar resigned as member w.e.f. 26<sup>th</sup> March, 2008
- Shri Rajnikant Khalpada appointed as a member of the Committee w.e.f. 26<sup>th</sup> March, 2008

The Composition of the Shareholders Grievance Committee as on date of this report is as follows:

Shri Anoop Chaturvedi, Secretarial Officer acts as the Compliance Officer.

**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:**

Shareholders/Investors Grievance Committee Meeting was held on 15<sup>th</sup> October, 2007. Both the members of the Committee were present in this 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 31<sup>st</sup> March, 2008:**

There was one complaint received and replied to the satisfaction of the shareholders during the year ended March 31, 2008. There were no pending / unattended complaints as on March 31, 2008.

**(D) General Body Meetings:**

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

Year	Date	Venue	Time
2005	24/09/2005	29, Bank Street, 1 <sup>st</sup> Floor, Fort, Mumbai – 400 023	4:00 p.m.
2006	30/09/2006	29, Bank Street, 1 <sup>st</sup> Floor, Fort, Mumbai – 400 023	4.00 p.m.
2007	29/09/2007	29, Bank Street, 1 <sup>st</sup> Floor, Fort, Mumbai – 400 023	4.00 p.m.

## **Special Resolution:**

In the Annual General Meeting held on 29<sup>th</sup> September, 2007, 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:**

The company has received communications from Bombay Stock Exchange Limited to comply with the Clause 40 (A) of Listing Agreement. The company has already written to BSE for granting it some more 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.

### **(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 complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the listing agreement.

## **(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 *The Free Press Journal (English language)* and *Nav Shakti (Marathi language)* in Mumbai and *The Financial Express or Business Standard (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 immediately after the conclusion of the respective meeting and later on submitted to the Bombay Stock Exchange Limited and The Calcutta Stock Exchange Association 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 Jawa & 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:**

- |              |  |   |
|--------------|--|---|
| <b>(i)</b>   | Date, time and venue of Annual General Meeting of Shareholders | 27 <sup>th</sup> September 2008, 5:00 P.M. 29, Bank Street, 1 <sup>st</sup> Floor, Fort, Mumbai – 400 023.  |
| <b>(ii)</b>  | Financial Calendar<br>(tentative and subject to change)        | <p><b>Financial reporting for quarter ended</b></p> <p>June 30, 2008 : By July 31, 2008</p> <p>September 30, 2008 : By October 31, 2008</p> <p>December 31, 2008 : By January 31, 2009</p> <p>March 31, 2009 : By April 30, 2009</p> <p>Annual General Meeting for year ended March 31, 2009 – By September 30, 2009.</p> |
| <b>(iii)</b> | Dates of book closures   | 20 <sup>th</sup> September 2008 to 27 <sup>th</sup> September 2008<br>(both days inclusive)   |
| <b>(iv)</b>  | Registered Office  | K. K. Chambers, 4 <sup>th</sup> Floor,<br>Sir Purshottamdas Thakurdas Marg,<br>Fort, Mumbai – 400 001.<br>Tel. No.: 022 – 6638 8600<br>Fax No.: 022 – 6638 8610   |
| <b>(v)</b>   | Listing on stock exchanges                                     | The Equity Shares of the Company are listed on:<br>- Bombay Stock Exchange Limited<br>- The Calcutta Stock Exchange Association Ltd.,<br>Annual Listing Fees as prescribed has been paid to the said Exchanges for the year 2008 – 2009.  |
| <b>(vi)</b>  | Stock Exchange Code  | 512273 (Bombay Stock Exchange Limited)<br>11105 (The Calcutta Stock Exchange Association Ltd.)  |

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

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Shri Umaidmal Kala shall retire by rotation at the forthcoming Annual General Meeting. Shri Rajnikant Khalpada who was appointed as an Additional Director of the Company w.e.f. 26<sup>th</sup> March, 2008 pursuant to the provisions of Section 260 of the Companies Act, 1956 shall hold office upto the date of the ensuing Annual General Meeting.

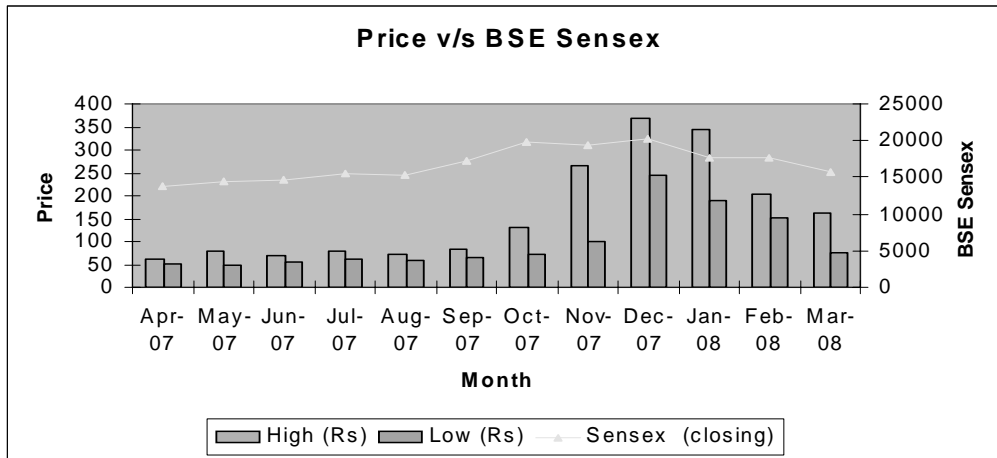
The Board has recommended the appointment / re-appointment of the said Directors to the shareholders. The detailed resume of Shri Umaidmal Kala and Shri Rajnikant Khalpada is provided in the notice of the Annual General Meeting

**(viii) Stock Market price data**

Monthly high and low at the Bombay Stock Exchange Limited for financial year ended 31<sup>st</sup> March, 2008:

Month	High Rs.	Low Rs.	BSE Sensex (Closing)
April, 2007	63.50	50.60	13872.37
May	80.00	47.00	14544.46
June	70.00	54.10	14650.51
July	81.00	62.10	15550.99
August	70.95	60.15	15318.60
September	81.50	65.00	17291.10
October	129.65	73.25	19837.99
November	264.70	100.10	19363.19
December	367.85	246.00	20286.99
January, 2008	345.00	189.10	17648.71
February	204.00	152.00	17578.72
March	162.95	75.00	15644.44

**(ix) Performance in comparison to BSE Sensex:**



**(x) Registrar and Share Transfer Agents:**

**Intime Spectrum Registry 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: [isrl@intimespectrum.com](mailto:isrl@intimespectrum.com)



**(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 2007 - 08 was 150 Shares.

**(xii) Distribution of Shareholding as on March 31, 2008:**

No. of Equity Shares held	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
1 - 5000	799	88.78	90,706	2.20
5001 - 10000	48	5.33	39,820	0.96
10001 - 20000	19	2.11	29,015	0.70
20001 - 30000	5	0.56	13,220	0.32
30001 - 40000	2	0.22	6,900	0.17
40001 - 50000	1	0.11	4,051	0.10
50001 - 100000	3	0.33	29,625	0.72
100001 & above	23	2.56	39,11,663	94.83
<b>TOTAL</b>	<b>900</b>	<b>100.00</b>	<b>4125000</b>	<b>100.00</b>

**(xiii) Categories of Shareholding as on March 31, 2008:**

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
<b>PROMOTERS HOLDING</b>				
Indian Promoters	27	3.00	36,75,303	89.10
Total of promoter holding	27	3.00	36,75,303	89.10
<b>NON- PROMOTER HOLDING</b>				
Institutional Investors				
FIs	0	0.00	0	0.00
Others				
Private Corporate Bodies	55	6.11	2,25,725	5.47
Indian Public	810	90.00	2,22,234	5.39
NRIs / OCBs	3	0.33	70	0.00
Clearing Member	5	0.55	1668	0.04
Any Other (Shares in Transit)	0	0	0	0.00
Total of non-promoter holding	873	97.00	4,49,697	10.90
<b>Grand Total</b>	<b>900</b>	<b>100.00</b>	<b>41,25,000</b>	<b>100.00</b>

**(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 31<sup>st</sup> March 2008, 26,26,242 Equity Shares representing 63.67% had been dematerialized.

**(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 Correspondence:**

**Intime Spectrum Registry 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: [isrl@intimespectrum.com](mailto:isrl@intimespectrum.com)

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**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, 2008, 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 Jawaśa & Associates**  
Company Secretaries

**Place: Mumbai**  
**Date: 18<sup>th</sup> August, 2008**

**Nishant Jawaśa**  
**Proprietor**  
**ACS No.: 19429**

**CODE OF CONDUCT DECLARATION**

Pursuant to Clause 49I (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 : 18<sup>th</sup> August, 2008**

**Ashwin Kumar Kothari**  
**Chairman**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**(a) Industry structure and developments**

Investment and trading in securities are the core business of our Company. In spite of continued volatility, the trading and investment sector has been maintained its level of activities and catered to India's growing markets. 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. In these type of industries the following golden rule to be applied i.e "the right decision at the right time."

**(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 its main business. As such there are no separate reportable segments.

**(d) Outlook**

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

**(e) Risks and Concerns**

The Company is exposed to the capital 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 management regularly reviews the internal control systems and procedures.

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

(Rs. in Lacs)

Highlights	2007-2008	2006-2007	% Change
Income from Operations	874.53	682.33	28.17
Profit before Interest, Depreciation and Tax	835.80	653.52	27.89
Interest Expenditure	0.05	0.14	(64.28)
Depreciation	3.26	0.03	10766.67
Provision for Taxation (Including Deferred Tax & Fringe benefit tax)	(88.09)	(69.06)	27.55
Net Profit after Tax	744.40	584.29	27.40
Earnings per Share (in Rs.)			
- Basic	18.05	14.16	27.47
- Diluted	18.05	14.16	27.47

**(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 the employees at all levels.

The Company's employee strength as on 31<sup>st</sup> March 2008 was 4 (Four).

**AUDITOR'S REPORT**

To :  
The Members of  
**Aroni Commercials Limited,**  
(Formerly known as Aroni Chemical Industries Limited),  
**Mumbai.**

We have audited the attached Balance Sheet of **ARONI COMMERCIALS LIMITED** (Formerly known as ARONI CHEMICAL INDUSTRIES LIMITED) as at 31<sup>st</sup> March, 2008 and also the Profit & Loss Account and Cash Flow Statement 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, 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 in the Annexure referred to above, 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 and Cash Flow Statement 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 and Cash Flow Statement comply with the requirements of the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the director's of the company as at 31<sup>st</sup> March, 2008 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 Companies Act, 1956.
  - 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 companies Act, 1956 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 31<sup>st</sup> March, 2008 and
  - (ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date.
  - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **LALIT MEHTA ASSOCIATES,**  
**CHARTERED ACCOUNTANTS,**

**(KALPESH RANKA)**  
**PARTNER**  
Membership No. : 113906

**PLACE : MUMBAI**  
**DATE : 30<sup>TH</sup> JUNE 2008**

## ANNEXURE TO THE AUDITOR'S REPORT \*

(\* Referred to in paragraph 2 of our Report of even date on the accounts of Aroni Commercials Limited (Formerly known as Aroni Chemical Industries Limited) for the year ended 31<sup>st</sup> March, 2008.)

1. (a) The company has not made available the fixed asset register showing full particulars including quantitative details and situation of fixed asset, as explained by the management, the old register were destroyed by White Ants.
- (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 Five 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. 3672.91 Lacs and the year-end balance was Rs. 14.63 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.
  - (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, there are no transactions in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs) or more in respect of any party.
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) According to the information and explanation provided to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including investor education & protection fund, Income Tax, Sales Tax, Wealth Tax, Excise Tax, Cess and other material statutory dues applicable to it.  
  
(b) According to the information and explanations given to us, the details of statutory dues of Income Tax, which have not been deposited on account of disputes are given vide **Annexure I**.
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. The company has not borrowed any amount from financial institutions or banks or by issue of debentures and therefore, question of repayment thereof does not arise.
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 not 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.
16. During the year Company has raised Term Loan (Car Loan) of Rs. 69,00,000/-.
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,**

**(KALPESH RANKA)  
PARTNER.  
Membership No.113906**

**PLACE: MUMBAI  
DATE: 30TH JUNE 2008**



**ANNEXURE I TO CLAUSE 9(B) TO THE AUDITOR'S REPORT**

Details of disputed amounts payable in respect of sales tax, customs duty, excise duty and Income Tax as at 31<sup>st</sup> March 2008.

Sr No.	Name of the Statute	Nature of the Due	Amount Rs	Period to which the amount relates	Forum where the dispute is pending	Remark
1	Madhya Pradesh Sales Tax Act	Sales Tax Liabilities due to rejection of of "C" Forms & Pending "C" Forms	7710945	Assessment Year 1996-97	Deputy Commissioner of Commerical 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	10906	Assessment Year 1998-99		Order is awaited from Tribunal Sales Tax Bhopal
3	Central Excise Act	Central Excise Duty	14391	Assesment Year 1995-96	Tribunal New Delhi	No Change in Status during the year
4	Income Tax Act	Income Tax	27,09,880	Assessment year 1998-99	CIT (Appeals), Mumbai	Rectification letter u/s. 154 for adjustments of previous year's demand is filed with Tax Recovery Officer, which will reduce the demand to Rs.6,66,463/-
5	Income Tax Act	Income Tax	34,71,033	Assessment Year 2001-02	CIT (Appeals,) Mumbai	No Change in Status during the year. Under Protest company has paid Rs 5,00,000/- against the demand
6	Income tax Act	Income Tax	14,35,821	Assessment Year 2002-03	CIT (Appeals)	No Change in Status during the year. Under Protest company has paid Rs. 13,00,000/- against the demand

# 23<sup>nd</sup> Annual Report 2007-2008

<b>BALANCE SHEET AS AT 31ST MARCH, 2008</b>		<b>(Amount in Rs.)</b>	
		<b>AS AT 31.03.2008</b>	<b>AS AT 31.03.2007</b>
<b>SCHEDULE</b>			
<b>A. SOURCES OF FUNDS :</b>			
1. <u>SHAREHOLDER'S FUNDS</u>			
a) Share Capital	" A "	<b>41250000</b>	41250000
b) Reserves and Surplus	" B "	<b>520440198</b>	<b>445999706</b>
		<b>561690198</b>	487249706
2. <u>LOAN FUNDS</u>			
a) Secured Loan	" C "	<b>6751125</b>	-
<b>TOTAL (1 + 2)</b>		<b>568441323</b>	487249706
<b>B. APPLICATION OF FUNDS :</b>			
1. <u>FIXED ASSETS</u> " D "			
Gross Block		<b>8869955</b>	551367
Less : Depreciation		<b>389243</b>	62733
Net Block		<b>8480712</b>	488634
2. <u>INVESTMENTS</u> " E "			
		513971133	250260968
3. <u>CURRENT ASSETS, LOANS AND ADVANCES</u>			
a) Interest accrued on Investments		-	3835180
b) Inventories	" F "	<b>906168</b>	906168
c) Sundry Debtors	" G "	<b>35120885</b>	2468148
d) Cash and Bank Balances	" H "	<b>780947</b>	6781417
e) Loans and Advances	" I "	<b>61759434</b>	266239465
		<b>98567434</b>	280230377
Less : <u>Current Liabilities and Provisions</u>	" J "	<b>52577956</b>	43730273
Net Current Assets		<b>45989478</b>	236500104
<b>TOTAL (1 to 3)</b>		<b>568441323</b>	487249706
Notes on accounts " N "			
In terms of our attached report of even date.			

For **LALIT MEHTA ASSOCIATES**  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS

**KALPESH RANKA**  
PARTNER  
MEMBERSHIP NO. 113906  
PLACE : MUMBAI  
DATE : JUNE 30, 2008

**ASHWIN KUMAR KOTHARI**  
**ROHIT KOTHARI**  
DIRECTORS

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	SCHEDULE	2007-08 Rs.	2006-07 Rs.
<b>INCOME</b>			
Interest Received (T D S Rs. 18,77,756 /- P.Y.Rs. 9,49,207/-)		1826921	4230011
Interest on Bonds		4488388	4723750
Other Incomes	“ K “	<u>81137843</u>	<u>59279737</u>
		<u><b>87453152</b></u>	<u><b>68233498</b></u>
<b>EXPENSES</b>			
Administration and Other expenses	“ L “	2656780	2371321
Employees Remuneration & Benefits	“ M “	1215774	509738
Interest and finance charges		4996	14378
Depreciation		<u>326510</u>	<u>3332</u>
		<u><b>4204060</b></u>	<u><b>2898769</b></u>
Net Profit before Tax		<b>83249092</b>	65334729
Less : Provision for Tax			
-for current year		<b>(8660000)</b>	(6800000)
-Previous year		-	(106058)
-for Fringe Benefit Tax		<b>(47000)</b>	(677)
-Deferred Tax		<u><b>(101600)</b></u>	<u>548</u>
Net Profit after Tax		<b>74440492</b>	58428542
Add : Balance Brought Forward		<b>263884036</b>	205455494
		<u><b>338324528</b></u>	<u><b>263884036</b></u>
Balance carried over to Balance Sheet		<u><b>338324528</b></u>	<u><b>263884036</b></u>
Basic & diluted earnings per share (Rs.)		<b>18.05</b>	14.16

Notes on accounts  
In terms of our attached report of even date.

“ N “

For **LALIT MEHTA ASSOCIATES**  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS

**KALPESH RANKA**  
PARTNER  
MEMBERSHIP NO. 113906  
PLACE : MUMBAI  
DATE : JUNE 30, 2008

**ASHWIN KUMAR KOTHARI**  
**ROHIT KOTHARI**  
DIRECTORS

# 23<sup>nd</sup> Annual Report 2007-2008

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2008

	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
75,00,000 Equity Shares of Rs.10/- each	<u>75000000</u>	<u>75000000</u>
	<u>75000000</u>	<u>75000000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
41,25,000 Equity Shares of Rs.10/- each fully paid up	41250000	41250000
[of the above 2719000 Equity shares were issued as fully paid up bonus shares by way of capitalisation of share premium and reserves]	<u>41250000</u>	<u>41250000</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
General Reserves (as per last year)	177575670	177575670
Share Premium	4540000	4540000
Profit & Loss Account		
As per Account Annexed	<u>338324528</u>	<u>263884036</u>
	<u>520440198</u>	<u>445999706</u>

### SCHEDULE 'C'

#### SECURED LOAN

Loan from ICICI Bank against Car	6751125	-
against Hypothecation of Car		
	<u>6751125</u>	<u>-</u>

### SCHEDULE 'D'

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as at 1.4.2007 Rs.	Additions during the year Rs.	Total Rs.	As at 01.04.2007 Rs.	For the year Rs.	Total Depreciation Rs.	Written Down Value as on 31.03.2008 Rs.	Written Down Value as on 31.03.2007 Rs.
Land	468011	-	468011	-	-	-	468011	468011
Motor Car	-	8318588	8318588	-	323641	323641	7994947	-
Office Equipments	28090	-	28090	21805	874	22679	5411	6285
Telephone Other Equipments	22000	-	22000	11692	1434	13126	8874	10308
	33266	-	33266	29236	561	29797	3469	4030
<b>TOTAL</b>	<b>551367</b>	<b>8318588</b>	<b>8869955</b>	<b>62733</b>	<b>326510</b>	<b>389243</b>	<b>8480712</b>	<b>488634</b>
PREVIOUS YEAR	551367	-	551367	59401	3332	62733	488634	-

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2008**

Number	Face Value Rs.		AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs
<b>SCHEDULE ' E'</b>				
INVESTMENT - Non-Trade Fully Paidup				
<b>Equity Shares</b>				
<b>A] Quoted at cost</b>				
100000 (-)	2	Anant Raj Industries Limited	20504637	-
14953 (-)	10	Aventis Pharma Limited	12674626	-
24000 (-)	10	Compucom Software Limited	1056270	-
250000 (-)	10	Genus Power Infrastructure Limited	140000000	-
749 (-)	10	Glaxo Smithkline	921950	-
27800 (-)	10	Reliance Industries Limited	63433530	-
230491 (-)	10	Tanfac Industries Limited	13659473	-
1 (1)	2	United Phosphorous Ltd.	108	108
- (55538)	10	Crest Communication Ltd.	-	5566249
38609 (38609)	10	Himadri Chemicals & Industries Limited	3741974	3741974
1 (1)	10	United Spirits Ltd (Mcdowell)	69	69
1 (1)	10	Shree Ganesh Forgings Ltd	30	30
300000 (500000)	10	Shri Lakshmi cotsyn Ltd.	31456144	50012289
1 (-)	10	Sicagen India Limited	-	-
1 (1)	10	SICAL Logistics Ltd.	28	28
10 (5)	2	Siemens Ltd.	1130	1130
107997 (107997)	10	SPL Industries Ltd.	3506963	3506963
14570 (17000)	10	Micro Inks Limited	4866380	5678000
- (50000)	10	Manglam Cement Limited	-	7396500
37065 (7413)	2	Divis Laboratories Limited	12683384	12683384
- (42000)	10	KCP Limited	-	10729519
1 (1)	10	Development Credit Bank Ltd.	26	26
- (44000)	10	Northgate BPO Services Ltd	-	1760000
574200 (574200)	10	Gwalior Chemical Industries Ltd.	2160400	2160400
		<b>Total</b>	<b>310667121</b>	<b>103236668</b>

# 23<sup>nd</sup> Annual Report 2007-2008

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2008

			AS 31.03.2008	AT 31.03.2007
			Rs.	Rs
<b>B] Unquoted at cost</b>				
35000	10	Jacqart Financial Services Limited	59800	59800
600000	10	Four Dimensions Commodities Pvt. Ltd.	3000000	3000000
2400000	10	Four Dimensions Capital Markets Pvt. Ltd	24000000	24000000
11200	10	Arkaya Commercial Pvt. Ltd.	112000	112000
500	10	Aimwel Investment Pvt. Ltd.	-	5000
3500	10	Windsor Trading & Finance Pvt. Ltd.	35000	35000
<b>C] Preference Shares</b>				
[Non cumulative Redeemable Partly paid up]				
250	100	10% Arkaya Commercial Pvt. Ltd.	6250	6250
56774	1000	10% Paritej Molecules Pvt. Ltd.	56774000	-
250	100	10% Aimwel Investment Pvt. Ltd.	-	6250
<b>D] Bonds</b>				
3750	10000	National Bank for Agriculture & Rural Development	-	37500000
5000	10000	National Housing Bank	-	50000000
<b>E] Venture Capital Fund</b>				
7300	1000	Kshitij Venture Capital Fund	7300000	7300000
500	100000	Urban Infrastructure Opportunity Fund	50000000	25000000
<b>F] Mutual Fund</b>				
6197640.539		Reliance Liquidity Fund - Weekly Dividend Reinvestment Option	62016962	-
			<b>513971133</b>	<b>250260968</b>
Aggregate book value of Quoted Investments			<b>372684083</b>	103236668
Aggregate market value of Quoted Investments			<b>416777182</b>	182882096
<b>SCHEDULE 'F'</b>				
<b>INVENTORIES - At Cost</b>				
(As taken, valued and certified by the Management)				
Shares and Securities			<b>906168</b>	906168
(As per Annexure 'A')			<b>906168</b>	906168
<b>ANNEXURE 'A'</b>				
<b>Details of Stock-in-trade</b>				
<b>Particulars</b>			<b>Quantity</b>	<b>Value (Rs.)</b>
Four Dimensions Securities (India) Ltd			12495	206168
Mahotsav Trading & Finance Pvt.Ltd			20000	200000
Four Dimensions Commodities Pvt. Ltd.			20000	200000
Sareshwar Trading & Finance Pvt.Ltd			20000	200000
Windsor Trading & Finance Pvt.Ltd.			10000	100000
			<b>82495</b>	<b>906168</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2008**

	AS 31.03.2008	AT 31.03.2007
	Rs.	Rs
<b>SCHEDULE ' G'</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured but considered good)		
Debts outstanding for the period more than six months	569147	525065
Others	34551738	1943083
	<b>35120885</b>	<b>2468148</b>
<b>SCHEDULE ' H'</b>		
<b>CASH AND BANK BALANCES</b>		
Balances with Scheduled Banks		
- in Current Account	363830	6357346
- in Fixed Deposit	396799	396799
Cash in Hand	20319	27272
	<b>780947</b>	<b>6781416</b>
<b>SCHEDULE ' I'</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured but considered good)		
Loans	1462941	120196787
Advance Income Tax	49888391	41161312
Advance F. B. T.	60212	4402
Advances and Deposits	10347890	104876964
	<b>61759434</b>	<b>266239465</b>
<b>SCHEDULE ' J'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A) CURRENT LIABILITIES</b>		
Sundry Creditors	1533084	1568566
Other Liabilities	213636	139071
Advance from Customers	3345974	3345974
Deferred tax Liability	104313	2713
	<b>5197007</b>	<b>5056324</b>
<b>B) PROVISIONS</b>		
Provision for Taxation	47329585	38669585
Provision for F.B.T.	51364	4364
	<b>47380949</b>	<b>38673949</b>
TOTAL	<b>(A+B)</b> <b>52577956</b>	<b>43730273</b>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
<b>SCHEDULE ' K '</b>		
<u>OTHER INCOME</u>		
Dividend Received	6766989	5424018
Professional Fees Received	569500	-
Profit on sale of Investments	73801354	53855719
	<u>81137843</u>	<u>59279737</u>
<b>SCHEDULE ' L '</b>		
<u>ADMINISTRATION AND OTHER EXPENSES</u>		
Rent, rates and taxes	68385	10301
Legal and professional charges	1909868	1409179
Traveling and conveyance	39761	-
Printing and stationery	22236	40457
Postage and telegram	200	7306
Electricity Charges	12000	12000
Telephone expenses	8821	8781
Donation	-	600000
Bank Charges	9121	579
Advertisement	41785	39276
AGM Expenses	739	-
Shares depository charges	2179	2296
STT Charges	462337	199767
Payment to Auditors		
- Audit Fees	30000	30000
- Tax Audit Fees	10000	10000
Insurance Charges	35958	-
Motor Car Expenses	3390	-
Miscellaneous expenses	-	1378
	<u>2656780</u>	<u>2371321</u>
<b>SCHEDULE ' M '</b>		
<u>EMPLOYEES REMUNERATION &amp; BENEFITS</u>		
Salary	539860	327731
Leave Salary	48188	33537
Bonus	5340	6700
Other Allowance	109760	60360
Leave Travel Allowance	71676	23433
Medical Reimbursement	5724	1272
Conveyance allowance	6897	11104
Ex-Gratia	262275	43404
Gratuity	164954	-
Staff Welfare	1100	2197
	<u>1215774</u>	<u>509738</u>



**SCHEDULE 'N'**

**Notes on accounts annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2008 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**

Investments are stated at Cost.

**Valuation of Inventories**

Inventory includes shares and securities are valued at their cost on FIFO basis.

**Revenue Recognition**

Terms of income and expenditure are recognised on accrual basis

**2. NOTES OF ACCOUNTS :**

**Related Party Transactions**

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

A. a) List of Related Parties

- i) Four Dimensions Securities (India) Ltd.
- ii) Four Dimensions Capital Markets Pvt. Ltd.
- iii) Jacqart Financial Services Ltd.
- iv) Winro Commercial (India) Ltd.
- v) Saraswati Commercial (India) Ltd.
- vi) Gwalior Chemical Industries Ltd.
- vii) Arkaya Commercial Pvt. Ltd.
- viii) Sam Jag-Deep Investment Pvt. Ltd.
- ix) Urudavan Investment & Trading Pvt Ltd

- x) Four Dimensions Commodities Pvt. Ltd.
- xi) Sureshwar Trading and Finance Pvt. Ltd.
- xii) Mahotsav Trading and Finance Pvt. Ltd.
- xiii) Paritej Molecules Private Ltd.
- b) Directors of the Company
  - i) Shri Ashwin Kumar Kothari
  - ii) Shri Rohit Kothari
  - iii) Shri Vasantlal Jamnadas Bhavsar
  - iv) Shri Umaidmal Kala

B. Details of transactions with abovesaid parties :

Particulars	Companies	Directors of	Total
	under the common management	the company and their relatives	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Purchase of shares (Investment & Stock)	168881251	-	168881251
Sale of Shares (Investment & Stock)	201090587	-	201090587
Interest received on Loan	1826921	-	1826921
Outstanding Loan/ Advances Receivable	1462941	-	1462941
Outstanding creditors/ Advances Received	31000	-	31000
Maximum outstanding unsecured loan receivable	367291210	-	367291210
Telephone Expenses	8821	-	8821
Electricity Expenses	12000	-	12000

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

Sr. No.	Name of the Company	Financial Year	Financial Year
		2007-2008	2006-2007
I)	Four Dimensions Capital Mkt. Pvt. Ltd. (Maximum outstanding during the year Rs.19260/- 2006-07 Rs. 9450000/-)	-	19,260/-
II)	Four Dimensions Securities (I) Ltd (Maximum outstanding during the year Rs.167200000/- 2006-07 Rs.149632762/-)	1111737/-	63255577/-

III)	Gwalior Chemical Industries Ltd (Maximum outstanding during the year Rs.147347/-, 2006-07 Rs. 147347/-)	-	147347/-
IV)	Paritej Molecules Pvt. Ltd. (Maximum outstanding during the year Rs.56774603/-, 2006-07 Rs.56774603/-)	-	56774603/-
V)	Winro Commercial (I) Ltd. (Maximum outstanding during the year Rs. 143150000/-,2006-07 Rs. 79770000/-)	351204/-	-

4. Segment Reporting

As the company's business activity falls within single segment viz. Trading in shares and investment 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) The company has 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 for which decree was passed by Hon'ble High Court of Madhya Pradesh in favour of the company, however Madhya Pradesh Uraja Vikas Nigam has filed second appeal before the special bench of Hon'ble High Court which is still pending.
- (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 and demand Rs.10,906/- under Madhya Pradesh Sales Tax Act, against which appeal was filed with Tribunal of Sales Tax Gwalior, has been rejected. Final demand notice is awaited
- (iv) Demand of Rs.14,391/- is pending under Central Excise Act. Appeal is filed by Commissioner Indore to Tribunal New Delhi against the order passed by Commissioner (Appeals).
- (v) 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.

- (vi) As per Income Tax Department after adjustment of pending refund following tax demand is outstanding against the company & it has not been provided in the accounts.

A. Y.	Demand	Nature
1998-1999 1999-2000	Rs. 27,09,880/- Rs. 5,06,005/-	Pending before CIT (Appeal Request for rectification against order u/s. 154 is pending
2001-2002 2002-2003	Rs. 34, 71,033/- Rs. 14,35,881/-	Pending before CIT (Appeal) Pending before CIT (Appeal)

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 require
9. Fixed deposits with bank of Rs. 3,96,799/- includes fixed deposit of Rs.3,08,871/-in the name of District and Cession 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 and the effect on Profit & Loss Account are as under: -

Nature of timing Difference	Debited to Profit & Loss Account	
	2007-2008	2006-2007
	Rs.	Rs.
Deferred Tax Asset/(Liability)	101600	548

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

A) **QUANTITATIVE PARTICULARS:**

PARTICUARS	2007-2008		2006-2007	
	QUANTITY	AMOUNT	QUANTITY	AMOUNT
		Rs.		Rs.
a) <u>OPENING STOCK</u>	82495	906168	82495	906168
	82495	906168	82495	906168
b) <u>PURCHASES</u>	-	-	-	-
	-	-	-	-
c) <u>SALES</u>	-	-	-	-
	-	-	-	-
d) <u>CLOSING STOCK</u>	82495	906168	82495	906168
	82495	906168	82495	906168

B) **Expenditure in foreign currency :-**

PARTICULARS	F.Y. 2007-08 AMOUNT	F.Y. 2006-07 AMOUNT
Foreign Traveling	Nil	Nil
Membership & Subscription	Nil	Nil

12. **BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE.**

**I. Registration Details.**

Registration No.  State code   
 Balance Sheet Date

**II. Capital Raised during the year**

**( Amount in Rs. Thousand)**

Public Issue <input type="text" value="NIL"/>	Right Issue <input type="text" value="NIL"/>
Bonus Issue <input type="text" value="NIL"/>	Private Placement <input type="text" value="NIL"/>

**III. Position of Mobilization and Deployment of Funds**

**(Amount in Rs. Thousand)**

Total Liabilities <input type="text" value="568441"/>	Total Assets <input type="text" value="568441"/>
Sources of Funds	Application of Funds
Paid-up Capital <input type="text" value="41250"/>	Net Fixed Assets <input type="text" value="8481"/>
Reserves and Surplus <input type="text" value="520440"/>	Investments <input type="text" value="513971"/>
Secured Loans <input type="text" value="6751"/>	Net Current assets <input type="text" value="45989"/>
Unsecured Loans <input type="text" value="-"/>	Misc. Expenditure <input type="text" value="-"/>
	Profit & Loss Account <input type="text" value="-"/>

**IV. Performance of the Company (Amount in Rs. Thousand)**

Turnover <input type="text" value="87453"/>	Total Expenditure <input type="text" value="4204"/>
Profit/(Loss) before Tax <input type="text" value="83249"/>	Profit/(Loss) after Tax <input type="text" value="74440"/>
Earning per Share <input type="text" value="18.05"/>	Dividend Rate % <input type="text" value="-"/>

**V. GENERIC NAME OF PRINCIPAL PRODUCTS / SERVICES OF COMPANY**

Item Code No. (ITC Code) <input type="text" value="-"/>	
Product Description	<input type="text" value="Investment, trading and finance"/>

Signature to Schedule "A" to "N"  
 In terms of our attached Report of even date.

For **LALIT MEHTA ASSOCIATES**  
 CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**KALPESH RANKA**  
 PARTNER  
 MEMBERSHIP NO. 113906  
 PLACE : MUMBAI  
 DATE : June 30, 2008

**ASHWIN KUMAR KOTHARI**  
 DIRECTOR

**ROHIT KOTHARI**  
 DIRECTOR

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

	(Figures Rs.in lacs)	
	2007-08	2006-07
<b>A) Cash Flow for operating activities:</b>		
<b>Net Profit before Tax &amp; Extra ordinary items</b>	832.49	653.35
<u>Adjustments for :-</u>		
Depreciation	3.27	0.03
Dividend income	(67.67)	(54.24)
Interest on Bond	(44.88)	(47.24)
Interest received	(18.27)	(42.30)
Profit on sale of Investment	(738.01)	(538.56)
<b>Operating loss before Working Capital changes</b>	<b>(33.07)</b>	<b>(28.96)</b>
<u>Adjustments for :-</u>		
Trade & other receivables	1806.10	(152.80)
Inventories	-	-
Int. Accrued on Investments	38.35	(1.11)
Trade payables	0.39	(0.11)
Cash generated from operations	<b>1811.77</b>	<b>(182.98)</b>
Interest paid	-	-
Direct taxes paid	(87.83)	(84.80)
Cash flow before extra ordinary items	<b>1723.94</b>	<b>(267.78)</b>
Extraordinary Item	-	-
Net Cash from operating activities	<b>1723.94</b>	<b>(267.78)</b>
<b>B) Cash flow from investing activities</b>		
Purchase of Fixed Assets	(83.19)	-
Sale of Fixed Assets	-	-
Sale / (Purchase) of Investments	(1899.08)	185.24
Interest on Bond	44.88	47.24
Interest received	18.27	42.30
Dividend Received	67.67	54.24
Interest Paid	-	-
Net cash used in investing activities	<b>(1851.45)</b>	<b>329.02</b>
<b>C) Cash Flow from financing activities</b>		
Proceeds from Long Term borrowings	67.51	0.00
Net cash used in Financing activities	<b>67.51</b>	<b>0.00</b>
Net change in cash & Cash equivalents (A+B+C)	(60.00)	61.24
Cash & Cash equivalents as at 1st April (opening balance)	67.81	6.57
Cash & Cash equivalents as at 31st March (Closing balance)	7.81	67.81

Place : Mumbai  
Dated : June 30, 2008

for and on behalf of the Board  
Ashwin Kumar Kothari  
Chairman

**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, 2008 and 31st March, 2007 and found the same in agreement therewith.

Place : MUMBAI  
Dated : June 30, 2008

for LALIT MEHTA & ASSOCIATES  
Chartered Accountants  
KALPESH RANKA  
Partner

**ARONI COMMERCIALS LIMITED**  
**(FORMERLY: ARONI CHEMICAL INDUSTRIES LIMITED)**  
**Regd. Office:** K. K. Chambers, 4<sup>th</sup> Floor,  
Sir Purshottamdas Thakurdas Marg, Fort, Mumbai – 400 001.

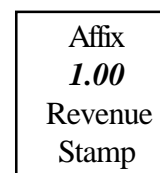
**PROXY FORM**

I/We \_\_\_\_\_  
of \_\_\_\_\_

being a member/members of **ARONI COMMERCIALS LIMITED** hereby appoint Mr./Mrs./Ms \_\_\_\_\_ of \_\_\_\_\_ or failing him/her Mr./Mrs./Ms. \_\_\_\_\_ as my/our Proxy to attend and vote for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on **Saturday**, the **27<sup>th</sup>** day of **September, 2008** at **29, Bank Street, 1st Floor, Fort, Mumbai - 400023** 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 \_\_\_\_\_ 2008



(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.

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**ARONI COMMERCIALS LIMITED**  
**(FORMERLY: ARONI CHEMICAL INDUSTRIES LIMITED)**  
**Regd. Office:** K. K. Chambers, 4<sup>th</sup> Floor,  
Sir Purshottamdas Thakurdas Marg, Fort, Mumbai – 400 001.

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the 23<sup>rd</sup> Annual General Meeting of the Company held at **29, Bank Street, 1st Floor, Fort, Mumbai - 400023** on **Saturday**, the **27<sup>th</sup>** day of **September, 2008** 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**

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