

**BOARD OF DIRECTORS**

Shri Ashwin Kumar Kothari  
 Shri Rohit A. Kothari  
 Shri Jaysukhlal N. Shah (Appointed on 14/01/2010)  
 Shri Rajnikant Khalpada  
 Shri Umaidmal Kala (Resigned on 14/01/2010)

**BANKERS**

HDFC Bank Limited  
 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**

209-210, Arcadia Building,  
 2<sup>nd</sup> Floor, Plot No. 195,  
 Nariman Point,  
 Mumbai - 400021.  
 Tele. : 66708600  
 Fax. : 66708650

**NAGDA OFFICE**

Birlagram, Nagda-456 331  
 Madhya Pradesh.

**REGISTRAR & SHARE TRANSFER  
AGENT****LINK INTIME (INDIA) PRIVATE LIMITED**

C-13, Pannalal Silk Mills Compound,  
 L. B. S. Marg, Bhandup (West),  
 Mumbai- 400078.

<b>CONTENTS</b>	<b>PAGE NO.</b>
Notice	2
Directors' Report	5
Management Discussion & Analysis Report	9
Compliance Certificate	11
Report on Corporate Governance	15
Auditor's Report	27
Balance Sheet	32
Profit & Loss Account	33
Schedules	34
Balance sheet abstract	47
Cash flow	48
Proxy Form / Attendance slip	49

## NOTICE

**NOTICE** is hereby given that the Twenty Fifth Annual General Meeting of the Members of **Aroni Commercials Limited** will be held at 29, Bank Street, 1<sup>st</sup> Floor, Fort, Mumbai- 400023 on Saturday, the 25<sup>th</sup> day of September, 2010 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, 2010 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 Rohit A. Kothari, 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 Jaysukhlal N. Shah, who was appointed as an Additional Director of the Company on 14<sup>th</sup> January, 2010 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 Share holder proposing the candidature of Shri Jaysukhlal N. Shah 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: 16<sup>th</sup> August, 2010**

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

**REGISTERED OFFICE:**  
209-210, Arcadia Building,  
2<sup>nd</sup> Floor, Plot No. 195,  
Nariman Point, Mumbai - 400021.

**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 Monday, 20th September 2010 to Saturday, 25<sup>th</sup> September, 2010 (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 No. 2 above, is annexed.
8. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 4 is annexed hereto.

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

<b>Name</b>	Shri Rohit A. Kothari	Shri Jaysukhlal N. Shah
AGE	36	70
Qualification	ACA , MBA	Under Graduate
Nature of Expertise	Investment & Trading	Investment & Trading
Experience	Experience of over 10 Years in the field of Investment, Trading and Finance.	Experience of over 40 Years in the field of Investment, Trading and Finance.
Name of Companies in which also holds Directorship	1. Monsoon Trading Company Ltd. 2. Sushree Trading Ltd. 3. Alpine Trading & Finance Ltd. 4. Rangoli Holding Ltd. 5. GeeCee Ventures Ltd. 6. Four Dimensions Securities [India] Ltd. 7. Four Dimensions Capital Markets Pvt. Ltd. 8. Antique Finance Pvt. Ltd.	1. Arices laboratories Ltd.
Name of the Companies in Committees of which holds membership / chairmanship	---	---
Shareholding in Aroni Commercials Limited	1005 Shares	99 Shares

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

Shri Jaysukhlal N. Shah was appointed as an Additional Director of the Company w.e.f. 14th January 2010 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 Jaysukhlal Nemchand Shah as a Director of the Company.

Considering varied experience of Shri Jaysukhlal N. Shah in field of handling commercial and management aspects of the organisation it will be in the interest of the company to appoint him as a director. Your Director recommends the appointment of Shri Jaysukhlal N. Shah as a Director.

None of the Directors except Shri Jaysukhlal N. Shah are interested or concerned in the aforesaid resolution.

For and on Behalf of the Board of Directors

Place : Mumbai  
Dated :16<sup>th</sup> August, 2010

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

## ARONI COMMERCIALS LIMITED

## DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

**FINANCIAL HIGHLIGHTS:**

Particulars	(Amount in Lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Interest Received and other Income	129.21	72.58
Profit before Interest, Depreciation, Extraordinary items and Tax	98.92	51.09
Less: Interest	29.92	7.63
Less: Depreciation	15.36	20.72
Profit before Tax	53.65	22.74
Add/(Less): Provision for Taxation		
a) Current	-	-
b) Previous Year	26.53	(0.28)
b) Deferred Tax Expenses	1.88	3.12
c) Fringe Benefit tax	-	(1.40)
Net Profit after Taxation	82.06	24.17
Balance brought forward from Previous Year	3407.41	3383.25
Profit available for appropriation	3489.47	3407.42
Balance Carried Forward	3489.47	3407.42

**Dividend:**

Your Directors do not recommend any dividend for the year ended on 31<sup>st</sup> March 2010 with a view to conserve the resources for future.

**Operations & Performance:**

During the year ended 31<sup>st</sup> March, 2010, your Company achieved a total income aggregating to Rs. 129.21 Lacs. After providing for Depreciation and Finance Charges, the Company has registered a profit before tax of Rs. 53.65 Lacs. After making provision for tax in respect of current year, the profit after tax of Rs. 82.06 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.

**Directors:**

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

Shri Umaidmal Kala had resigned as director of the Company on 14<sup>th</sup> January, 2010. The Board places on record their deep appreciation for the services rendered by Shri Umaidmal Kala during his respective tenure on the Board.

Shri Jayshukhlal N. Shah was appointed as an Additional Director of the Company w.e.f 14th January, 2010 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, 2010 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, 2010 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, 2010 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.

**B] Foreign Exchange Earnings & Outgo:****(Rs. In Lacs)**

<b>PARTICULARS</b>	<b>2009-2010</b>	<b>2008-2009</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: 16<sup>th</sup> August, 2010**

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



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****(a) Industry structure and developments**

India is one of the fastest growing economies in the world with a rapidly expanding financial services sector. The Indian financial services industry has experienced significant growth in the last few years. There has been a considerable broadening and deepening of the Indian financial market due to various financial market reforms undertaken by the Indian regulators, the introduction of innovative financial instruments in the recent years and the entry of sophisticated domestic and international financial services participants. Investment and trading in securities are the core business of our Company. In the past the markets have crashed and therefore the revenues of the company fall drastically and the Company is under pressure to cut costs and improve its profitability further. In these types 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 these 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's exposed to the market risk and credit risk. It is further exposed to risk of economic cycle. The company manages these risks by remaining very conservative and following other risk management practices.

**(f) Internal Control Systems 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)**

<b>Highlights</b>	<b>2009-2010</b>	<b>2008-2009</b>	<b>% Change</b>
Income from Operations	129.21	72.58	78.02
Profit before Interest, Depreciation and Tax	98.92	51.09	93.62
Interest Expenditure	29.92	7.63	292.14
Depreciation	15.36	20.72	(25.87)
Provision for Taxation (Including Deferred Tax & Fringe benefit tax)	28.41	1.44	1872.92
Net Profit after Tax	82.06	24.17	239.51
Earnings per Share (in Rs.)			
- Basic	1.99	0.59	237.29
- Diluted	1.99	0.59	237.29

**(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.

**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 31<sup>st</sup> March 2010 (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 duly met **Nine** times respectively on **27<sup>th</sup> April 2009, 29<sup>th</sup> June 2009, 30<sup>th</sup> July 2009, 13<sup>th</sup> August 2009, 18<sup>th</sup> August 2009, 30<sup>th</sup> October 2009, 2<sup>nd</sup> December 2009, 14<sup>th</sup> January 2010 and 29<sup>th</sup> January 2010** 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 Saturday 19<sup>th</sup> September 2009 to Saturday 26<sup>th</sup> September 2009 and necessary compliance of Section during the financial year of the Act has been made.
6. The annual general meeting for the financial year ended 31<sup>st</sup> March 2009 was held on 26<sup>th</sup> September 2009 after giving due notice to the members of the Company and the resolutions passed thereat 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 in respect of contracts specified in that section.
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 including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not borrowed any amount during the financial year ending 31<sup>st</sup> March, 2010.
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.

**Place: Mumbai**

**Date: 16<sup>th</sup> August, 2010**

**For Nishant Jawaša & Associates  
Company Secretaries  
Nishant Jawaša  
Proprietor(C.P. No. 6993)**

**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 31<sup>st</sup> March 2010.**

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	21.10.2009	Yes	N.A.
2.	Form 66	S 383A	Annual Requirement	15.10.2009	Yes	N.A.
3.	Form 20B	S 159	Annual Requirement	18.11.2009	Yes	N.A.
4.	Form 32	303	Change in directors	16.01.2010	Yes	N.A.
5.	Form 18	S 146	Shifting of registered office of the Company	18.08.2009	Yes	N.A.

**CORPORATE GOVERNANCE REPORT****(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 31<sup>st</sup> March, 2010 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 Ashwin Kumar Kothari	Chairman, Non-Executive, Promoter	11	2	—
Shri Rohit A. Kothari	Non-Executive, Promoter	6	—	—
Shri Umaidmal Kala (Resigned on 14/01/2010)	Non-Executive, Independent	—	—	—
Shri Rajnikant Khalpada	Non-Executive, Independent	—	—	—
Shri Jaysukhlal N. Shah (Appointed on 14/01/2010)	Non-Executive, Independent	1	—	—

\* 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 Nine Board Meetings during the year ended 31<sup>st</sup> March, 2010 i.e. on 27<sup>th</sup> April 2009, 29<sup>th</sup> June 2009, 30<sup>th</sup> July 2009, 13<sup>th</sup> August 2009, 18<sup>th</sup> August 2009, 30<sup>th</sup> October 2009, 2<sup>nd</sup> December 2009, 14<sup>th</sup> January 2010 and 29<sup>th</sup> January 2010. The Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2009-10 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	9	9	No
Shri Rohit A. Kothari	9	9	No
Shri Umaidmal Kala (Resigned on 14/01/2010)	7	7	No
Shri Rajnikant Khalpada	9	9	Yes
Shri Jaysukhlal N. Shah (Appointed on 14/01/2010)	2	2	—

**(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 as on 31<sup>st</sup> March, 2010**

Name of the Non-Executive Director	Equity Shares held (No.)
Shri Ashwin Kumar Kothari	22140
Shri Rohit A. Kothari	1005
Shri Umaidmal Kala	NIL
Shri Rajnikant Khalpada	NIL
Shri Jaysukhlal N. Shah	99

**(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 2009 the Audit Committee comprised of Shri Umaidmal Kala (Chairman), Shri Rohit A. Kothari and Rajnikant Khalpada.

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

- Shri Umaidmal Kala resigned as member w.e.f. 14<sup>th</sup> January, 2010
- Shri Jaysukhlal N. Shah appointed as a member of the Committee w.e.f. 14<sup>th</sup> January, 2010

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

1. Shri Jaysukhlal N. Shah, Chairman
2. Shri Rohit A. Kothari
3. Shri Rajnikant Khalpada

**(d) Audit Committee Meetings and Attendance during the financial year ended 31<sup>st</sup> March, 2010**

During the financial year ended 31<sup>st</sup> March, 2010, Four Audit Committee Meetings were held on 29<sup>th</sup> June 2009, 30<sup>th</sup> July 2009, 30<sup>th</sup> October 2009 and 29<sup>th</sup> January 2010. 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 (Resigned on 14/01/2010)	3	3
Shri Rohit A. Kothari	4	4
Shri Rajnikant Khalpada	4	4
Shri Jaysukhlal N. Shah (Appointed on 14/01/2010)	1	1

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, 2010 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, 2009:

Shri Ashwin Kumar Kothari, Chairman  
Shri Rajnikant Khalpada

Shri Anoop Chaturvedi, an Officer of the Company 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 Meetings was held on 2<sup>nd</sup> March, 2010. 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 31<sup>st</sup> March, 2010:**

There was one complaint received and replied to the satisfaction of the shareholders during the year ended March 31, 2010. There were no pending / unattended complaints as on March 31, 2010.

**(D) General Body Meetings:**

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

Year	Date	Venue	Time
2007	29/09/2007	29, Bank Street, 1 <sup>st</sup> Floor, Fort, Mumbai – 400 023	4.00 p.m.
2008	27/09/2008	29, Bank Street, 1 <sup>st</sup> Floor, Fort, Mumbai – 400 023	5.00 p.m.
2009	26/09/2009	29, Bank Street, 1 <sup>st</sup> Floor, Fort, Mumbai – 400 023	5:00 p.m.

**Special Resolution:**

In the Annual General Meeting held on 26<sup>th</sup> September, 2009, 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 *The 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 submitted to the Bombay Stock Exchange Limited, immediately after the conclusion of the respective meeting.
- (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	25 <sup>th</sup> September 2010, 5.00 P.M. 29, Bank Street, 1 <sup>st</sup> Floor, Fort, Mumbai – 400001
<b>(ii)</b>	Financial Calendar(tentative and subject to change)	<b>Financial reporting for quarter ended</b> June 30, 2010 : By August 15, 2010 September 30, 2010 : By November 15, 2010 December 31, 2010 : By February 15, 2011 March 31, 2011 : By May 15, 2011 and audited 30 <sup>th</sup> May,2011  Annual General Meeting for year ended March 31, 2011 – By September 30, 2011.
<b>(iii)</b>	Dates of book closures	20 <sup>th</sup> September 2010 to 25 <sup>th</sup> September 2010(both days inclusive)
<b>(iv)</b>	Registered Office	209-210, Arcadia Building, 2 <sup>nd</sup> Floor, Plot No.195, Nariman Point, Mumbai - 400021 Tel. : 022 – 6670 8600 Fax : 022 – 66708650
<b>(v)</b>	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 2010 – 2011.
<b>(vi)</b>	Stock Exchange Code	512273 (Bombay Stock Exchange Limited) 11105 (The Calcutta Stock Exchange Limited)

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

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Shri Rohit Kothari shall retire by rotation at the forthcoming Annual General Meeting. Shri Jaysukhlal N. Shah who was appointed as an Additional Director of the Company w.e.f. 14<sup>th</sup> January, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 shall hold office upto the date of the ensuing Annual General Meeting.

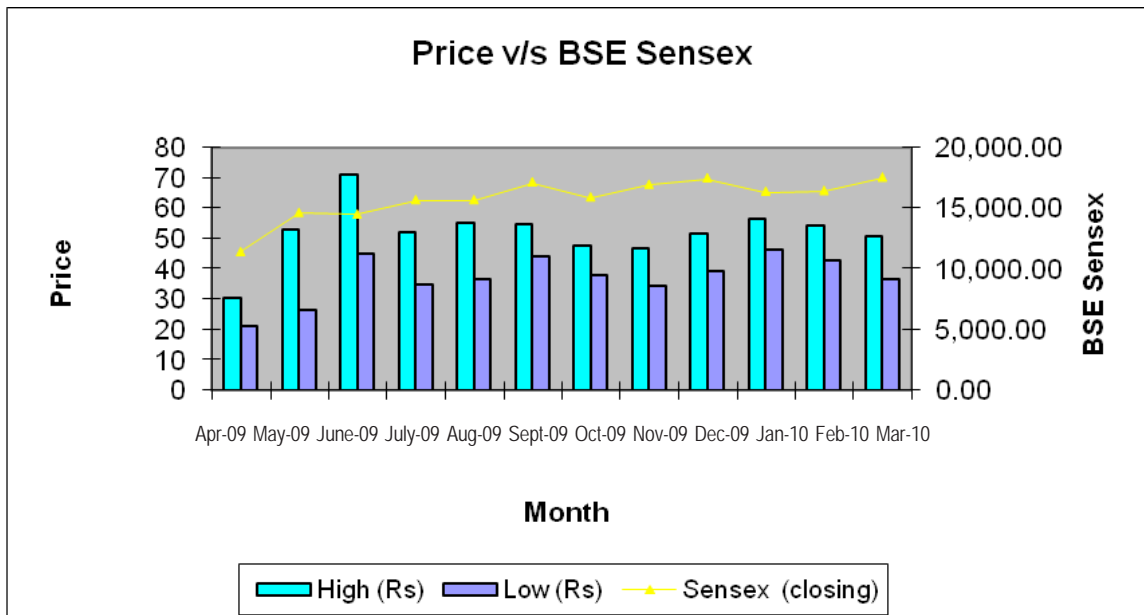
The Board has recommended the appointment / re-appointment of the said Director to the shareholders. The detailed resume of Shri Ashwin Kumar Kothari and Shri Jaysukhlal N. Shah are provided in the notice of the Annual General Meeting.

**(viii) Stock Market price data**

Monthly high and low at the Bombay Stock Exchange Limited for financial year ended 31<sup>st</sup> March, 2010:

Month	HighRs.	LowRs.	BSE Sensex (Closing)
April, 2009	30.55	21.30	11,403.25
May	52.95	26.50	14,625.25
June	71.25	45.05	14,493.84
July	52.30	35.05	15,670.31
August	55.45	36.65	15,666.64
September	54.95	44.35	17,126.84
October	47.85	38.00	15,896.28
November	46.90	34.30	16,926.22
December	51.90	39.50	17,464.81
January, 2010	56.40	46.30	16,357.96
February	54.35	43.00	16,429.55
March	50.95	36.70	17,527.77

(ix) Performance in comparison to 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](mailto: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 2009-10 was 25 shares.

**(xii) Distribution of Shareholding as on March 31, 2010:**

No. of Equity Shares held	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
1 - 5000	919	88.96	115348	2.80
5001 - 10000	57	5.52	46158	1.12
10001 - 20000	31	3.00	45830	1.11
20001 - 30000	8	0.77	20643	0.50
30001 - 40000	3	0.29	10560	0.26
40001 - 50000	1	0.10	4362	0.10
50001 - 100000	3	0.29	23938	0.58
100001 & above	11	1.07	3858161	93.53
<b>Total</b>	<b>1033</b>	<b>100.00</b>	<b>41,25,000</b>	<b>100.00</b>

**(xiii) Categories of Shareholding as on March 31, 2010:**

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
<b>PROMOTERS HOLDING</b>				
Indian Promoters	21	2.03	36,75,303	89.10
Total of promoter holding	21	2.03	36,75,303	89.10
<b>NON- PROMOTER HOLDING</b>				
Institutional Investors				
FII's	0	0.00	0	0.00
Others				
Private Corporate Bodies	58	5.62	1,89,674	4.60
Indian Public	944	91.38	2,58,121	6.26
NRIs / OCBs	3	0.29	265	0.00
Clearing Member	7	0.68	1,637	0.04
Any Other (Shares in Transit)	0	0.00	0	0.00
Total of non-promoter holding	1012	97.97	4,49,697	10.90
<b>Grand Total</b>	<b>1033</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 2010, 34,83,143 Equity Shares representing 84.44% 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:**

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](mailto:mumbai@linkintime.co.in)

**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, 2010, 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**

**Place: Mumbai**  
**Date: 16<sup>th</sup> August, 2010**

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

**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 : 16<sup>th</sup> August, 2010**

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

**AUDITOR'S REPORT**

To :  
The Members of  
**Aroni Commercials Limited,**  
**Mumbai.**

We have audited the attached Balance Sheet of **ARONI COMMERCIALS LIMITED** as at 31<sup>st</sup> March, 2010 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, 2010 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, 2010 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,**  
(FRN NO. 105568W)

**(KALPESH RANKA)**  
**PARTNER.**

M.No. : 113906

**PLACE : MUMBAI**  
**DATE : MAY 29, 2010**

**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 31<sup>st</sup> March, 2010)

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 three 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. 3113.00 Lacs and the year-end balance was Rs. 1.57 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, 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 provident fund, investor education and protection fund , employees' state insurance, income-tax, sales tax, wealth tax, customs duty, excise duty, cess, entry tax, service tax and purchase tax. 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, 2010 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 31<sup>st</sup> March, 2010:-

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	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	Central Excise Act	Central Excise Duty	14,391	Assessment Year 1995-96	Tribunal New Delhi		No Change in Status during the year
4.	Income Tax Act	Income Tax	1,26,738	Assessment Year 2001-02	CIT (Appeals), Mumbai	-	Appeal Pending with CIT (A)
5.	Income Tax Act	Income Tax	10,60,000	Assessment Year 2006-07	ITAT	10,60,000 (Refund Adjustment)	Request given for adjustment against Refund for favourable penalty order for AY 2001-2002 is pending

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.
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,**  
(FRN NO. 105568W)

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

**PLACE: MUMBAI**  
**DATE: MAY 29, 2010**

**ARONI COMMERCIALS LIMITED**  
BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
<b>A. SOURCES OF FUNDS :</b>			
1. <u>SHAREHOLDER'S FUNDS</u>			
a) Share Capital	" A "	41250000	41250000
b) Reserves and Surplus	" B "	531062804	522857243
		<b>572312804</b>	<b>564107243</b>
2. <u>LOAN FUNDS</u>			
a) Secured Loan	" C "	4478333	5727905
TOTAL (1 + 2)		<b>576791137</b>	<b>569835148</b>
<b>B. APPLICATION OF FUNDS :</b>			
1. <u>FIXED ASSETS</u>			
Gross Block	" D "	8460814	8869955
Less : Depreciation		3997728	2461605
Net Block		<b>4463086</b>	<b>6408350</b>
2. <u>INVESTMENTS</u>			
	" E "	550142375	543731778
3. <u>CURRENT ASSETS, LOANS AND ADVANCES</u>			
a) Inventories	" F "	-	906168
b) Sundry Debtors	" G "	321900	1778408
c) Cash and Bank Balances	" H "	621729	858364
d) Loans and Advances	" I "	43036557	57049125
		<b>43980187</b>	<b>60592065</b>
Less : <u>Current Liabilities and Provisions</u>	" J "	21794510	40897045
Net Current Assets		<b>22185676</b>	<b>19695019</b>
TOTAL (1 to 3)		<b>576791137</b>	<b>569835148</b>
Notes on accounts	" O "		
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  
DATE : MAY 29, 2010

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS

ASHWIN KUMAR KOTHARI

ROHIT A. KOTHARI

DIRECTORS



**ARONI COMMERCIALS LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

SCHEDULE	2009-10 Rs.	2008-09 Rs.
<b>INCOME</b>		
Interest Received (T.D.S 59606/- P.Y.813047/-)	631135	3894398
Other Income	“ K “ 12290231	3363905
	<u>12921366</u>	<u>7258303</u>
<b>EXPENSES</b>		
Increase / (Decrease) in Stock	“ L “ -	-
Administration and Other expenses	“ M “ 1890724	1278154
Employees Remuneration & Benefits	“ N “ 1138224	870790
Interest and finance charges	2991671	763325
Depreciation	1536123	2072362
	<u>7556742</u>	<u>4984631</u>
Net Profit before tax	5364624	2273671
Add/(Less) : Provision for tax		
- for Previous Year	2652632	(28289)
- for Fringe Benefit Tax	-	(140000)
- for Deferred Tax	188305	311663
Net Profit after tax	<u>8205561</u>	<u>2417045</u>
Add : Balance Brought Forward	340741573	338324528
Balance carried over to Balance Sheet	<u>348947134</u>	<u>340741573</u>
Basic & diluted earnings per share (Rs.)	1.99	0.59
Notes on accounts	“ O “	
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  
DATE : MAY 29, 2010

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS

ASHWIN KUMAR KOTHARI  
ROHITA. KOTHARI

DIRECTORS

**ARONI COMMERCIALS LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
<b>SCHEDULE 'A'</b>		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
75,00,000 Equity Shares of Rs.10/- each	75000000	75000000
	<u>75000000</u>	<u>75000000</u>
<u>ISSUED, SUBSCRIBED AND PAID UP</u>		
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
	<u>41250000</u>	<u>41250000</u>
<b>SCHEDULE 'B'</b>		
<u>RESERVES AND SURPLUS</u>		
<u>General Reserves</u>		
As per last year	177575670	177575670
<u>Securities Premium</u>	4540000	4540000
<u>Profit &amp; Loss Account</u>		
As per Account Annexed	348947134	340741573
	<u>531062804</u>	<u>522857243</u>
<b>SCHEDULE 'C'</b>		
<u>SECURED LOAN</u>		
Loan from ICICI Bank against Car against Hypothecation of Car	4478333	5727905
	<u>4478333</u>	<u>5727905</u>

**ARONI COMMERCIALS LIMITED**  
**SCHEDULES D FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

**SCHEDULE 'D'**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 1.4.2009 Rs.	Addition	Deletion	Total	As at 01.04.2009 Rs.	for the year Rs.	Total Depreciation	Written Down Value as on 31.03.2010 Rs.	Written Down Value as on 31.03.2009 Rs.
Land	468011	-	409141	58870	-	-	-	58870	468011
Motor Car	8318588	-	-	8318588	2393533	1533997	3927530	4391058	5925055
Office Equipments	28090	-	-	28090	23432	648	24080	4010	4658
Telephone	22000	-	-	22000	14360	1063	15423	6577	7640
Other Equipments	33266	-	-	33266	30280	415	30695	2571	2986
<b>TOTAL</b>	<b>8869955</b>	<b>-</b>	<b>409141</b>	<b>8460814</b>	<b>2461605</b>	<b>1536123</b>	<b>3997728</b>	<b>4463086</b>	<b>6408350</b>
PREVIOUS YEAR	8869955	-	-	8869955	389243	2072362	2461605	6408350	-

**ARONI COMMERCIALS LIMITED****SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010****SCHEDULE 'E'****INVESTMENT - Non-Trade Fully Paid Up**

Number	ASAT	ASAT	Face	ASAT	ASAT
	31.03.2010	31.03.2009	Value	31.03.2010	31.03.2009
			Rs.	Rs.	Rs.
<u>Equity Shares</u>					
A] <u>Quoted at cost</u>					
75666		49000	2	6856875	4103077
169706		-	10	5206115	-
25283		-	10	10421383	-
48000		48000	2	1056270	1056270
1		1	10	26	26
250000		250000	10	140000000	140000000
2871000		574200	10	222741777	2160400
				(Formerly known as Gwalior Chemical Industries Ltd)	
5000		-	1	672671	-
380000		280000	10	17739800	12443800
95001		-	10	7088025	-
116000		82934	10	1809490	1035853
54225		-	2	1551265	-
-		75000	10	-	3441781
17043		-	10	1643286	-
89498		-	10	3221928	-
288370		-	10	7566265	-
43120		-	10	2123332	-
1		1	10	30	30
-		300000	10	-	31456144
1		1	10	28	28
1		-	10	-	-
10		10	2	1130	1130
107997		107997	10	3506963	3506963
100000		-	1	-	-
2		2	2	108	108
1		1	10	69	69
			<b>Total</b>	<b>433206835</b>	<b>199205678</b>

**ARONI COMMERCIALS LIMITED****SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010****SCHEDULE 'E'****INVESTMENT - Non-Trade Fully Paid Up**

ASAT 31.03.2010	Number ASAT 31.03.2009	Face Value Rs.		ASAT 31.03.2010 Rs.	ASAT 31.03.2009 Rs.
<u>B] Unquoted at cost</u>					
4000	-	10	Ananya Online IT-Designs Pvt Ltd	4411050	-
11200	11200	10	Arkaya Commercial Pvt. Ltd.	112000	112000
2400000	2400000	10	Four Dimensions Capital Markets Pvt. Ltd	24000000	24000000
80000	60000	10	Four Dimensions Commodities Pvt. Ltd.	3200000	3000000
12495	-	10	Four Dimensions Securities (I) Ltd	206168	-
580	-	100	Girdhar Morari Agro & Research Pvt Ltd	58000	-
35000	35000	10	Jacqart Financial Services Limited	59800	59800
20000	-	10	Mahotsav Trading & Finance Ltd	200000	-
20000	-	10	Sareshwar Trading & Finance Ltd	200000	-
13500	3500	10	Windsor Trading & Finance Pvt. Ltd.	135000	35000
<u>C] Preference Shares</u>					
[Non cumulative Redeemable Partly paid up]					
250	250	100	10% Arkaya Commercial Pvt. Ltd.	6250	6250
<u>D] Venture Capital Fund</u>					
10000	10000	1000	Kshitij Venture Capital Fund	10000000	10000000
540	540	100000	Urban Infrastructure Opportunity Fund	54800000	54800000
<u>F] Mutual Fund</u>					
1598553.5252	-		Kotak Liquid (Institutional) Daily Dividend	19547272	-
-	12856652.376		HDFC Liquid Fund Premium Plan - Daily Dividend	-	157619987
-	5865807.765		HDFC Short Term Plan - Dividend	-	60729263
-	3414432.596		Reliance Liquidity Fund - Weekly Dividend Reinvestment Option	-	34163801
				<u>550142375</u>	<u>543731778</u>
Aggregate book value of Quoted Investments				452754107	451718728
Aggregate market value of Quoted Investments				419859223	327919652

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
<b>SCHEDULE ' F '</b>		
<u>INVENTORIES</u> - At Cost		
(As taken, valued and certified by the Management)		
Shares and Securities	-	906168
	-	906168
	<u>-</u>	<u>906168</u>
<b>SCHEDULE ' G '</b>		
<u>SUNDRY DEBTORS</u>		
(Unsecured but considered good)		
Debts outstanding for the period more than six months	321900	566996
Others	-	1211412
	<u>321900</u>	<u>1778408</u>
<b>SCHEDULE ' H '</b>		
<u>CASH AND BANK BALANCES</u>		
Balances with Scheduled Banks		
- in Current Account	199666	443103
- in Fixed Deposit	386799	396799
Cash in Hand	35265	18463
	<u>621729</u>	<u>858364</u>
<b>SCHEDULE ' I '</b>		
<u>LOANS AND ADVANCES</u>		
(Unsecured but considered good)		
Loans	156957	338269
Deferred Tax Asset	395655	207350
Advance Income Tax	29394611	46068149
Advance F.B.T.	198310	199025
Advances and Deposits	10453424	10236332
Share Application Money	2437600	-
	<u>43036557</u>	<u>57049125</u>
<b>SCHEDULE ' J '</b>		
<u>CURRENT LIABILITIES &amp; PROVISIONS</u>		
A) <u>CURRENT LIABILITIES</u>		
Sundry Creditors	61566	43836
Other Liabilities	63433	135947
	<u>124999</u>	<u>179783</u>
B) <u>PROVISIONS</u>		
Provision for Taxation	21482511	40529585
Provision for F.B.T	187000	187677
	<u>21669511</u>	<u>40717262</u>
(A+B)	<u>21794510</u>	<u>40897045</u>

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
<b>SCHEDULE ' K '</b>		
<b>OTHER INCOME</b>		
Dividend Received	9765625	12247261
Profit on Sale of Investments	918317	(13712365)
Profit on Sale of Fixed Assets	1476859	-
Difference in Share Contract Price	-	(456)
Sundry Balances W/back	129430	4829465
	12290231	3363905
	12290231	3363905
 <b>SCHEDULE ' L '</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
CLOSING STOCK		906168
LESS : OPENING STOCK	906168	-
Less: Transfer to Investment	(906168)	906168
	-	-
	-	-
 <b>SCHEDULE ' M '</b>		
<b>ADMINISTRATION AND OTHER EXPENSES</b>		
Legal and professional charges	837233	118386
STT Charges	525308	241687
Motor Car Expense	116077	16531
Insurance Charges	108146	210757
Advertisement	56331	53359
Payment to Auditors		
- Audit Fees	30000	30000
- Tax Audit Fees	10000	10000
- Other Expenses	-	5000
Printing and stationery	20400	30412
Traveling and conveyance	5000	4900
Postage and telegram	11871	320
Rent, rates and taxes	6620	7738
Donation	-	540000
Electricity Charges	-	12000
Telephone expenses	-	1651
Bank charges	1387	(6906)
AGM Expenses	-	570
Share depository charges	2013	1749
Sundry Balances W/off	160338	-
	1890724	1278154
	1890724	1278154

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
<b>SCHEDULE ' N '</b>		
<b>EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Salary	702313	558157
Ex-Gratia	120116	50420
Other Allowance	94330	61692
Leave Travel Allowance	79400	35180
Leave Salary	60551	65074
Bonus	40400	21250
Conveyance Allowance	24695	16589
Gratuity	-	60228
Washing Charges	1200	-
Staff Welfare	6920	2200
Conveyance	8299	
	1138224	870790
	1138224	870790



**ARONI COMMERCIALS LIMITED****SCHEDULE 'O'**

**Notes on accounts annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2010 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”.

**Valuation of Inventories**

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

**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:

- A. a) List of Related Parties
- i) Antique Stock Broking Limited
  - ii) Antique Finance Pvt Ltd
  - iii) Antique Wealth Advisor Pvt Ltd
  - iv) Antique Finsec Pvt Ltd
  - v) Antique Capital Markets Pvt Ltd
  - vi) Ananya Online IT Designs Pvt Ltd
  - vii) Arkaya Commercial Pvt. Ltd.

- viii) Arcies Laboratories Ltd
- ix) Better Time Realtors Pvt. Ltd.
- x) Four Dimensions Securities (India) Ltd.
- xi) Four Dimensions Capital Markets Pvt. Ltd.
- xii) Four Dimensions Commodities Pvt. Ltd.
- xiii) Geecee Ventures Ltd (Previously Known as Gwalior Chemical Industries Ltd.)
- xiv) Grey River Realtors Pvt. Ltd.
- xv) GTZ (Bombay) Pvt Ltd
- xvi) Jacqart Financial Services Ltd.
- xvii) Mahotsav Trading and Finance Pvt. Ltd.
- xviii) Neptune Light Realtors Pvt. Ltd.
- xix) New Age Dyes Chemicals Pvt Ltd
- xx) Red Socks Realtors Pvt. Ltd.
- xxi) Rohit Financial Services
- xxii) Sateshwar Trading and Finance Pvt. Ltd.
- xxiii) Saraswati Commercial (India) Ltd.
- xxiv) Sam Jag-Deep Investment Pvt. Ltd.
- xxv) Urudavan Investment & Trading Pvt Ltd
- xxvi) Vidushan Commercial & Investment Pvt Ltd
- xxvii) Winro Commercial (India) Ltd.
- xxviii) Windsor Trading & Finance Pvt Ltd

b) Directors of the Company

- i) Shri Ashwin Kumar Kothari
- ii) Shri Rohit A. Kothari
- iii) Shri Rajnikant Khalpada
- iv) Shri Jaysukhlal N Shah

B. Details of transactions with above said parties:

Particulars	Companies Under the common Management Rs.	Directors of the company & their relatives Rs.	Total Rs.
Purchase of shares (Investment & Stock)	300358257	-	300358257
Sale of Shares (Investment & Stock)	119932172	-	119932172
Sale of Fixed Assets	1886000	-	1886000
Interest received on Loan	360966	-	360966
Share Application Money Given	2437600	-	2437600
Outstanding Loan/ Advances Receivable	156957	-	156957
Investment	255272045	-	255272045

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

Sr. No.	Name of the Company	Financial Year 2009-2010	Financial Year 2008-2009
I)	Four Dimensions Securities (I) Ltd (Maximum outstanding during the year Rs. 400000/-, 2008-09 Rs. 33711737/-)	1287/-	338269/-
II)	Winro Commercial (India) Ltd (Maximum outstanding during the year Rs. 75900000/-, 2008-09 Rs. NIL)	155670/-	-
II)	Antique Stock Broking Limited (Maximum outstanding during the year Rs.235000000, 2008-09 Rs. 19,83,00,000)	-	-

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.

- (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 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
2001-2002	1,26,738/-	NIL	Appeal Pending with CIT (Appeals)
2006-07	10,60,000/-	10,60,000/-	Original Demand is Pending before ITAT. Request given to CIT (A) for adjustment against refund for favourable penalty order for AY 2001-2002 is pending

- 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. 3,86,799/- 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 assets and the effect on Profit & Loss Account are as under: -

Nature of timing Difference	Debited to Profit & Loss Account	
	2009-2010	2008-2009
	Rs.	Rs.
Deferred Tax Income/(Expense)	188305	311663

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

A) QUANTITATIVE PARTICULARS:

	PARTICULARS	2009-2010		2008-2009	
		QUANTITY	AMOUNT	QUANTITY	AMOUNT
			<b>Rs.</b>		<b>Rs.</b>
a)	OPENING STOCK	82495	906168	82495	906168
		82495	906168	82495	906168
b)	PURCHASES	-	-	-	-
		-	-	-	-
c)	SALES	-	-	-	-
		-	-	-	-
d)	TRANSFER TO INVESTMENTS	82495	906168	-	-
		82495	906168	-	-
e)	CLOSING STOCK	-	-	82495	906168
		-	-	82495	906168

- B) Expenditure in foreign currency: -

PARTICULARS	F.Y.2009-10	F.Y. 2008-09
	AMOUNT	AMOUNT
Foreign Traveling	Nil	Nil

12. Amount of Interest & finance debited to profit & loss account Rs. 29,91,671/- includes interest on Income tax paid Rs. 24,54,705/- and Interest on Fringe benefit Tax Rs. 38/- 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. 3,28,94,885/-.

14. Payment to Auditors

	FY 2009-10	FY 2008-09
	Amount	Amount
Audit fees	30,000	30,000
Tax Audit fees	10,000	10,000
Other	2,500	5,000
	42,500	45,000

15. Earnings per Share

	FY 2009-10	FY 2008-09
Profit after taxation attributable to equity		
Shareholders -		
As per profit & loss account (Rs. Lacs)	82.06	24.16
Equity shares outstanding (Nos.)	4125000	4125000
Earning per share-basic/diluted (Rs.)	1.99	00.59

16. Balance Sheet abstract and the company's general business profile

<b>I REGISTRATION DETAILS</b>			
Registration No.	U7499MH1985PLC035047	State Code	11
Balance Sheet Date	31.03.2010		
<b>II CAPITAL RAISED DURING THE YEAR</b>			(Amount in Rs. Thousand)
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
<b>III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>			
<b>Total Liabilities</b>	576791	<b>Total Assets</b>	576791 (Amount in Rs. Thousand)
<b>SOURCES OF FUNDS</b>		<b>APPLICATION FUNDS</b>	
Paid-up Capital	41250	Net Fixed Assets	4463
Reserves & Surplus	531063	Investments	550142
Secured Loans	4478	Net Current Assets	22186
Unsecured Loans	-	Misc. Expenditure	-
		Profit & Loss Account	-
<b>IV PERFORMANCE OF THE COMPANY</b>			
Turnover	12921	Total Expenditure	7557
Profit/Loss before tax	5364	Profit/Loss after tax	8206
Earning Per Share	1.99	Dividend %	-
<b>V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY</b>			
Item Code No. (ITC Code)			-
Product Description			Investment and finance

17. Previous year's figures have been regrouped or rearranged wherever deemed necessary.

Signatures to Schedule 'A' to 'O'.  
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  
DATE : MAY 29, 2010

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS

ASHWIN KUMAR KOTHARI

ROHITA. KOTHARI

DIRECTORS

## ARONI COMMERCIALS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Figures Rs.in lacs)

	2009-10	2008-09
<b>A) Cash Flow for operating activities:</b>		
<b>Net Profit/(Loss) before Tax &amp; Extra ordinary items</b>	<b>53.65</b>	22.74
<b>Adjustments for :-</b>		
Depreciation	15.36	20.72
interest on Income Tax	22.09	
Dividend income	(97.66)	(122.47)
Interest on Bond	-	0.00
Profit on sale of Investment	(9.18)	137.12
Profit on sale of Fixed Assets	(14.77)	
Difference in Share Contract Proce	-	0.00
<b>Operating loss before Working Capital changes</b>	<b>(30.51)</b>	<b>58.11</b>
<b>Adjustments for :-</b>		
Trade & other receivables	(10.17)	345.79
Inventories	-	-
Trade payables	(0.55)	(49.13)
Cash generated from operations	(41.23)	<b>354.77</b>
Direct taxes paid	(19.30)	(31.51)
Cash flow before extra ordinary items	<b>(60.53)</b>	<b>323.26</b>
Extraordinary Item	-	-
Net Cash from operating activities	<b>(60.53)</b>	<b>323.26</b>
<b>B) Cash flow from investing activities</b>		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	18.86	-
Sale/(Purchase) of Investments	(45.85)	(434.73)
Dividend Received	<b>97.66</b>	122.47
Net cash used in investing activities	<b>70.67</b>	<b>(312.26)</b>
<b>C) Cash Flow from financing activities</b>		
Proceeds from Long Term borrowings	(12.50)	(10.23)
Net cash used in Financing activities	<b>(12.50)</b>	<b>(10.23)</b>
Net change in cash & Cash equivalents (A+B+C)	(2.36)	0.77
Cash & Cash equivalents as at 1st April (opening balance)	8.58	7.81
Cash & Cash equivalents as at 31st March (Closing balance)	6.22	8.58

Mumbai  
DATED : MAY 29, 2010

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, 2010 and 31st March, 2009 and found the same in agreement therewith.

for LALIT MEHTA ASSOCIATES  
CHARTERED ACCOUNTANTS  
(FRN No. 105568W)

PLACE : MUMBAI  
DATED : MAY 29, 2010

KALPESH RANKA  
PARTNER  
MEMBERSHIP NO.113906



**ARONI COMMERCIALS LIMITED**

Regd. Office: 209-210, Arcadia Building, 2<sup>nd</sup> Floor, Plot No. 195,  
Nariman Point, Mumbai – 400 021.

**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 25<sup>th</sup> Annual General Meeting of the Company, to be held on 25<sup>th</sup> day of  
**September, 2010 at 29, Bank Street, 1<sup>st</sup> 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 \_\_\_\_\_ 2010

Affix  
Re. 1.00  
Revenue  
Stamp

**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: 209-210, Arcadia Building, 2<sup>nd</sup> Floor, Plot No. 195,  
Nariman Point, Mumbai – 400 021.

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the 25<sup>th</sup> Annual General Meeting of the Company held  
at **29, Bank Street, 1<sup>st</sup> Floor, Fort, Mumbai- 400023** held on **25<sup>th</sup> day of September, 2010**  
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 Building, 2<sup>nd</sup> Floor, Plot No. 195,  
Nariman Point, Mumbai – 400 021.

# **ARONI COMMERCIALS LIMITED**

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**25th Annual Report**  
**2009 - 2010**

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