

RAVINAY TRADING COMPANY LTD

Registered Office:

*State Bank Building Annexe
Bank Street, Fort
MUMBAI 400 023*

Annual Report & Accounts

for the year ended

31st March, 2006

RAVINAY TRADING COMPANY LIMITED

Regd. Office : State Bank Building Annexe, Bank Street, Fort, Mumbai 400 023

NOTICE

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of **Ravinay Trading Company Limited** will be held on Wednesday, the 31st August, 2006 at 3.00 p.m. at the registered office of the Company at State Bank Building Annexe, Bank Street, Fort, Mumbai 400 023 to transact the following business :

01. To receive and adopt the Directors' Report and Audited Profit & Loss Account of the Company for the year ended 31st March, 2006 and the Balance Sheet as at that date.
02. To appoint a Director in place of Mrs. R.R. Ruia who retires by rotation and being eligible offers herself for reappointment.
03. To appoint Auditors for the period viz., from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

04. To appoint a director in place of Mr. R.V. Ruia who was appointed as a director in the casual vacancy caused by the resignation of Mr. N.R. Ruia, holds office upto the conclusion of this Annual General Meeting, being the date upto which Mr. N.R. Ruia would have held office, and who is eligible for re-appointment and in respect of whom the company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidate for the office of Director.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



S.R. NEVATIA
DIRECTOR

Mumbai, dated 30th June, 2006.

- NOTE**
- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
 - (2) *The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, the 29th August, 2006 to Thursday, the 31st August, 2006 (both days inclusive) for the purpose of Annual General Meeting.*

RAVINAY TRADING COMPANY LIMITED

ANNEXURE TO NOTICE
(Explanatory Statement)

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all the material facts, relating to the Special Business mentioned in the accompanying Notice dated 30th June, 2006.

ITEM NO. 4

Mr. R.V. Ruia was appointed a Director by the Board of Directors of the Company on 13.03.2006 under Article 85 of the Articles of Association to fill the casual vacancy on the board caused by the resignation of Mr. N.R. Ruia under Section 262 of the Companies Act, 1956, Mr. R.V. Ruia holds office upto the date of Mr. N.R. Ruia in whose place he was appointed, would have held office viz., upto the date of this Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a Notice has been received from a member alongwith a deposit of Rs.500 signifying his intention to propose Mr. R.V. Ruia as a director. Mr. R.V. Ruia has ample experience in accounts and management and hence the board considered it desirable that the company continues to avail itself of his services as Director.

Mr. R.V. Ruia is interested in this resolution as a director and none of the other directors are in any way concerned or interested in the said resolution.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



S.R. NEVATIA
DIRECTOR

Mumbai, dated 30th June, 2006.

RAVINAY TRADING COMPANY LIMITED

Regd. Office : State Bank Building Annexe, Bank Street, Fort, Mumbai 400 023

DIRECTORS' REPORT

To,

The Members of
RAVINAY TRADING COMPANY LIMITED

Your Directors have pleasure in presenting before you their Twenty-Fifth Annual Report together with the audited statement of accounts for the year ended 31st March, 2006.

During the year under review, the company made a net profit of Rs.4,44,652 after making a tax provision of Rs.3,520. To the said profit a sum of Rs.247, being excess provision for income tax for earlier years and a sum of Rs.19,68,915, being the earlier year's carried forward profit were added and the resultant surplus of Rs.24,13,814 was carried forward to the next year's account. With a view to conserve resources, the directors do not recommend payment of any dividend.

Mrs. R.R. Ruia, a director of the Company, retires by rotation at the ensuing annual general meeting and is eligible for reappointment.

During the year the company had no employee of the category indicated U/s. 217(2A) of the Companies Act, 1956.

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors state as under :

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv) that the directors had prepared the annual accounts on a going concern basis.

Pursuant to the provisions of the Companies Act, 1956, the accounts together with Directors' Report of VINAYKUMAR FAMILY INVESTMENTS LIMITED, the company's subsidiary, for the year ended 31st March, 2006 are attached to the balance sheet of the Company.

Pursuant to the proviso to sub-section (1) of Section 383A of the Companies Act, 1956 and the Rules made thereunder, the requisite Secretarial "Compliance Certificate" is attached to this Report.

As the Company is not a manufacturing unit and has also not used or earned any foreign exchange during the year, the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as framed U/s. 217(1)(e) of the Companies Act, 1956 may be considered as Nil.

The members are requested to appoint auditors for the current year and to fix their remuneration.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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R.V. RUIA
DIRECTOR

Mumbai, dated 30th June, 2006.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

1. We have audited the attached Balance Sheet of RAVINAY TRADING COMPANY LIMITED as at 31st March, 2006 and also the annexed Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date. 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.
2. We 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 assurances about whether the financial statements are free of material misstatements. 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 management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.—
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the 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 accounts as required by law, have been kept by the company so far as appears from our examination of the books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section (3C) of Section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the 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 31st March, 2006;
 - ii. in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
 - iii. in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2006, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2006, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For K.D. VYAS & COMPANY
CHARTERED ACCOUNTANTS


K.D. VYAS
PROPRIETOR

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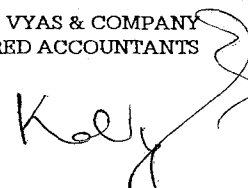
Mumbai, dated 30th June, 2006.

Annexure to the Auditors' Report

Referred to in Paragraph 3 of our report of even date on the accounts of Ravinay Trading Company Limited for the year ended 31st March, 2006:

- i. The Company does not own any Fixed Assets.
- ii. The Clauses i, ii, iii, iv, v, vi, xii, xiii, xv, xvi, xvii, xviii, xix, xx and xxi are not applicable to the Company during the Year.
- iii. The Company has not taken loans; secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- iv. The Company has granted loans and advances in the nature of the loans to a Company and the same is interest-free and there are no stipulations as to its repayment.
- v. In our opinion and according to the information and explanations given to us, there is adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchases and sale of goods.
- vi. The company has not purchased during the year Stores, Raw Materials and Finished goods exceeding Rs.5,00,000/- in value from the firm or companies or other parties in which the directors are interested.
- vii. The Company's paid-up capital is less than Rs.50.00 lacs and its turnover is less than, Rs. 5.00 crores as envisaged in Clause (xv) of the order under report, the provisions as regards to Internal Audit are not attracted.
- viii. The Central Government has not prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956.
- ix. There was no employee during the year, who was entitled to Provident Fund or E.S.I.
- x. According to the information given to us, there are no disputed amounts payable in respect of Income-tax, Sales-tax, Wealth-tax, Customs Duty and Excise Duty and remaining outstanding on the last day of financial year concerned.
- xi. The investments in Shares and units of Mutual Funds have been properly recorded.

For K.D. VYAS & COMPANY
CHARTERED ACCOUNTANTS


K.D. VYAS
PROPRIETOR

Mumbai dated 30th June, 2006.

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RAVINAY TRADING COMPANY LIMITED

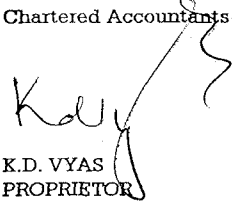
BALANCE SHEET AS AT 31ST MARCH, 2006


	<u>Schedule</u>	<u>CURRENT YEAR Rupees</u>	<u>PREVIOUS YEAR Rupees</u>
<u>SOURCES OF FUNDS</u>			
<u>Shareholders' Funds</u>			
Share Capital	A	15,00,000	15,00,000
Reserve & Surplus	B	<u>24,13,814</u> <u>39,13,814</u>	<u>19,68,915</u> <u>34,68,915</u>
<u>APPLICATION OF FUNDS</u>			
Investments	C	38,00,127	31,07,054
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Cash & Bank Balances	D	57,357	3,32,950
Loans & Advances	E	<u>64,022</u> 1,21,379	<u>73,819</u> 4,06,769
<u>Less: CURRENT LIABILITIES & PROVISIONS</u>	F	<u>7,692</u>	<u>44,908</u>
Net Current Assets		<u>1,13,687</u>	<u>3,61,861</u>
		<u>39,13,814</u>	<u>34,68,915</u>
<u>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</u>			
	I		


Schedule 'A' to 'I' form part of the Accounts.


As per our Report of Even date attached hereto.

For K.D. VYAS & COMPANY
Chartered Accountants


K.D. VYAS
PROPRIETOR

R.V. RUIA 


S.R. NEVATIA

R.R. RUIA 

DIRECTORS

Mumbai, dated 30th June, 2006.

Mumbai, dated 30th June, 2006.

RAVINAY TRADING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

	<u>Schedule</u>	<u>CURRENT YEAR Rupees</u>	<u>PREVIOUS YEAR Rupees</u>
INCOME	G	5,15,952 <u>5,15,952</u>	4,37,750 <u>4,37,750</u>
 <u>EXPENDITURE</u>			
Salaries		6,000	6,000
Expenses	H	57,290	60,092
Audit Fees		4,490 <u>67,780</u>	4,408 <u>70,500</u>
Profit for the year		4,48,172	3,67,250
Less: Provision for Taxation	3,000		
Add: Fringe Benefit Tax	<u>520</u>		
		<u>3,520</u>	-
Profit after tax		4,44,652	3,67,250
Add: Excess/short provision in respect of earlier years		<u>247</u>	-
		4,44,899	3,67,250
Add: Balance Brought forward from previous year		<u>19,68,915</u>	<u>16,01,665</u>
BALANCE CARRIED TO THE BALANCE SHEET		<u>24,13,814</u>	<u>19,68,915</u>
 Earning Per Share - Basic and Diluted		 2.97	 2.45

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I

Schedule 'A' to 'I' form part of the Accounts.

As per our Report of Even date attached hereto.

For K.D. VYAS & COMPANY
Chartered Accountants

K.D. VYAS
PROPRIETOR

R.V. RUIA

S.R. NEVATIA

R.R. RUIA

.. DIRECTORS

Mumbai, dated 30th June, 2006.

Mumbai, dated 30th June, 2006.

RAVINAY TRADING COMPANY LIMITED

SCHEDULE ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	CURRENT	PREVIOUS	
	YEAR	YEAR	
	Rupees	Rupees	
SCHEDULE "A"			
SHARE CAPITAL			
AUTHORISED:			
2,50,000 Equity Shares of Rs.10 each.	<u>25,00,000</u>	<u>25,00,000</u>	
ISSUED, SUBSCRIBED & PAID-UP:			
1,50,000 Equity Shares of Rs.10 each, fully paid-up.	<u>15,00,000</u>	<u>15,00,000</u>	
SCHEDULE "B"			
RESERVE & SURPLUS			
Profit & Loss Account	<u>24,13,814</u>	<u>19,68,915</u>	
	<u>24,13,814</u>	<u>19,68,915</u>	
SCHEDULE "C"			
	Current Year	Previous Year	
	Qty.	Qty.	Rupees
	Rupees	Rupees	
INVESTMENTS (AT COST)			
Quoted:-			
A. In Shares			
Gujarat Ambuja Cements Ltd	9000	1200	23,850
M.R.P. Limited	400	400	4,000
The Dawn Mills Co Ltd	-	10	1,130
	<u>9400</u>	<u>1610</u>	<u>28,980</u>
B. Unquoted			
In Shares			
Vinaykumar Family Investments Ltd	14,000	14,000	14,00,000
Sterling Re-Rolling Mills Pvt Ltd	3,600	3,600	3,60,000
Special Paints Ltd	700	700	10,100
	<u>18,300</u>	<u>18,300</u>	<u>17,70,100</u>
C. Units of Mutual Funds (Unquoted)			
HDFC Mutual Fund – HDFC Liquid Fund – Dividend Reinvestment of Rs. 10 each.	-	-	5,514,810
HDFC Mutual Fund – HDFC Prudence Fund – Dividend Reinvestment Plan of Rs. 10 each.	65062.4700	13,07,138	54,411,507
HDFC Mutual Fund – HDFC Floating Rate Income Fund – Short Term Plan Growth of Rs. 10 each.	-	-	20,139,295
DSPML Mutual Fund – DSPML Liq. Fund – Daily Reg. Dividend – Reinvestment of Rs. 10 each.	2501.380	25,039	-
Templeton Mutual Fund – Templeton S.T. Term Plan - Growth of Rs. 10 each.	526.0050	6,70,000	-
		<u>20,02,177</u>	<u>13,07,974</u>
TOTAL OF QUOTED INVESTMENTS (A)		<u>27,850</u>	<u>28,980</u>
TOTAL OF UNQUOTED INVESTMENTS (B+C)		<u>37,72,277</u>	<u>30,78,074</u>
TOTAL INVESTMENTS (A+B+C)		<u>38,00,127</u>	<u>31,07,054</u>
Market Value of Quoted Investments		<u>9,43,800</u>	<u>5,11,162</u>
Repurchase price of units of Mutual Fund		<u>24,41,378</u>	<u>13,64,516</u>

<u>SCHEDULE "D"</u>	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>Cash & Bank Balances</u>		
Cash on hand	1,850	5,490
Balance with Scheduled Bank in Current Account	<u>55,507</u>	<u>3,27,460</u>
	<u>57,357</u>	<u>3,32,950</u>
<u>SCHEDULE "E"</u>		
<u>Loans and Advances</u>		
Considered good – recoverable in cash or kind or for value to be received.	10,000	10,000
Advance Tax and T.D.S.	51,302	59,739
Advance M.S.P.T.	<u>2,720</u>	<u>4,080</u>
	<u>64,022</u>	<u>73,819</u>
<u>SCHEDULE "F"</u>		
<u>Current Liabilities and Provisions</u>		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors	4,692	4,408
<u>PROVISIONS</u>		
Provision for Taxation	<u>3,000</u>	<u>0,500</u>
	<u>7,692</u>	<u>4,908</u>
<u>SCHEDULE "G"</u>		
<u>Income</u>		
Dividend on Shares	1,53,100	1,49,700
Dividend on Mutual Funds	<u>2,72,984</u>	<u>2,75,397</u>
L.T. Gain on sale of share investments	56,900	-
L.T. Gain on redemption of Mutual Fund Uni	-	12,653
S.T. Gain on redemption of Mutual Fund Uni	32,872	-
Interest on I.T. Refund	<u>96</u>	<u>-</u>
	<u>5,15,952</u>	<u>4,37,750</u>
<u>SCHEDULE "H"</u>		
<u>Expenses</u>		
Printing and Stationery	1,393	1,443
Filing Fees	2,028	1,527
Membership & Subscription	15,600	15,600
Professional Tax	1,360	1,360
Conveyance Expenses	1,394	1,438
Postage, Telephone and Telegram	1,156	1,222
Bank Charges	177	215
General Charges	2,419	2,792
Professional Fees	10,038	11,399
Advertisement Expenses	<u>21,725</u>	<u>23,096</u>
	<u>57,290</u>	<u>60,092</u>

SCHEDULE "I"

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(A) **System of Accounting:-**

The Company adopts the accrual concept in the preparation of its accounts.

(B) **Investments :-**

Investments are stated at Cost.

2. The Income-tax Assessment of the Company has since been finalised upto and including the Accounting Year 2001-02 (Assessment Year – 2002-03).

3. In the opinion of the Board, the value of Current Assets is at least of value as stated in Balance Sheet, if realized in ordinary course of business, the provisions for all the known liabilities are made and are not in excess of the amount considered adequate.

4. Earning per share		<u>Current Year</u>	<u>Previous Year</u>
Face value per Share	(Rs.)	10	10
Profit after tax (excluding excess/short) provision of taxation of earlier years written back (off)	(Rs.)	4,45,171	3,67,250
Number of shares used in computing Earning Per Share – Basic and Diluted.		1,50,000	1,50,000
Earning Per Share – Basic and Diluted.		2.97	2.45

5. Purchase and Sale of investments made during the year ended 31st March, 2006.

In Units of Mutual Funds – Non-Trade – Unquoted

Mutual Fund	Type	<u>Purchase</u>		<u>Sale</u>	
		No. of Units	Rupees	No. of Units	Rupees
DSPML Mutual Fund – DSPML Liq. Fund.	Dividend Re-investment	2501.380	25,039	–	–
HDFC Mutual Fund – HDFC Prudence Fund	Dividend	10650.9630	2,72,058	–	–
Templeton Mutual Fund – Templeton S.T. Term Plan - Growth of Rs. 10 each.	Growth	526.0050	6,70,000	–	–
HDFC Mutual Fund – HDFC FRIF – Long Term Plan	Growth	–	–	20139.295	2,24,499
HDFC Mutual Fund – HDFC FRIF – Long Term Plan	Growth	49782.289	5,50,418	49782.289	5,75,800
HDFC Mutual Fund – HDFC Liq. Fund		–	–	5514.810	55,543
		TOTAL	15,17,515		8,55,842

6. The additional information pursuant to provisions of paragraphs 3, 4C, 4D and 4(d) of Part II of Schedule VI of the Companies Act, 1956 to the extent applicable are given.

7. INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details :- State Code : 11

Registration No. : 24341
Balance Sheet Date : 31.03.2006

II. Capital raised during the year (Amount in Rs. '000)

Public Issue : NIL Right Issue : NIL
Bonus Issue : NIL Private Placement : NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities : 3,914	Total Assets : 3,914
Source of Funds :-	Application of Funds :-
Paid-up Capital : 1,500	Net Fixed Assets : Nil
Reserve & Surplus : 2,414	Investments : 3,800
Secured Loan : Nil	Net Current Assets : 114
Unsecured Loan : Nil	Misc. Expenditure : Nil

IV. Performance of the Company (Amount in Rs. '000)

Turnover : 516
Total Expenditure : 68
Profit before tax : 448
Profit after tax : 445
Earnings per share (Rs.) : 2.97
Dividend Rate (%) : Nil

8. Previous years' figures have been regrouped or rearranged wherever necessary to make them comparable with the figures of current year.

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R.V. RUIA

S.R. NEVATIA

R.R. RUIA

DIRECTORS

RAVINAY TRADING COMPANY LIMITED

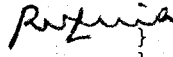
STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956

Re: **Vinaykumar Family Investments Ltd**
(a subsidiary company)

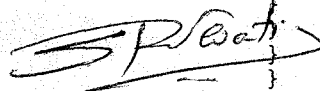
Financial Year : 01.04.2005 to 31.03.2006

- (a) At the close of the year ended 31st March, 2006, the Company held in the Subsidiary Company 14,000 Equity Shares of Rs.100 each, fully paid, which represent 100% of the Share Capital of the subsidiary company.
- (b) The working of the subsidiary company during the year under report has resulted into a net Profit of Rs.7,61,01,115 after making an income-tax provision of Rs.93,10,520.
- (c) No adjustments have been made in the accounts of the holding company in respect of the Profit or Loss of its subsidiary either for this year or for the previous financial years.

R.V. RUIA



S.R. NEVATIA



R.R. RUIA



.. DIRECTORS

Mumbai, dated 30th June, 2006.

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RAVINAY TRADING COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006

	<u>CURRENT YEAR Rupees</u>	<u>PREVIOUS YEAR Rupees</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	4,48,171	3,67,250
Adjustments for:		
Interest Received	-	-
Dividend Received	(4,26,084)	(4,25,097)
Misc. Receipts	(96)	-
Interest on I.T. Refund	-	-
L.T. & S.T. Gain on redemption of Mutual Fund Units	(89,772)	(12,653)
Operating Profit before Working Capital Changes	(67,781)	(70,500)
Adjustments for		
Trade and other Receivables	1,361	(1,361)
Cash generated from operations	(66,420)	(69,139)
Direct Taxes paid	(32,336)	-
Net Cash Flow from Operating Activities (A)	(98,756)	(69,139)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments in Mutual Funds etc.	(6,93,073)	(55,993)
Sale of Investments	-	-
Interest Received	-	-
Dividend Received	4,26,084	4,25,097
Misc. Receipts	-	-
Interest on I.T. Refund	96	-
L.T. & S.T. Gain on redemption of Mutual Fund Units	89,772	12,653
Net Cash Used in Investing Activities (B)	(1,77,121)	3,81,757
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	284	88
Net cash used in financing activities (C)	284	88
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(2,75,593)	3,12,706
Cash and cash equivalents (Op. Balance)	3,32,950	20,244
Cash and cash equivalents (Cl. Balance)	57,357	3,32,950

Note: Previous year's figures have been regrouped and rearranged wherever necessary.

R.V. RUIA

S.R. NEVATIA

R.R. RUIA

.. DIRECTORS

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF RAVINAY TRADING COMPANY LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RAVINAY TRADING COMPANY LIMITED AND ITS SUBSIDIARY

We have examined the attached consolidated balance sheet of **Ravinay Trading Company Limited** and its subsidiary **Vinaykumar Family Investments Limited** as at 31st March, 2006 and the consolidated Profit & Loss Account for the year then ended and the consolidated cash flow statement for the year ended on that date.

These financial statements are the responsibility of the management of **Ravinay Trading Company Limited**. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of **Ravinay Trading Company Limited** and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of **Ravinay Trading Company Limited** and its aforesaid subsidiary and we are of the opinion that the said consolidated financial statements together with the other notes thereon give a true and air view in conformity with the accounting principles generally accepted in India:

- (a) *the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of **Ravinay Trading Company Limited** and its subsidiary as at 31st March, 2006; and*
- (b) *the Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operations of **Ravinay Trading Company Limited** and its subsidiary for the year then ended.*
- (c) *the Consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flow of **Ravinay Trading Company Limited** and its subsidiary for the year ended on that date.*

For K.D. VYAS & COMPANY
CHARTERED ACCOUNTANTS


K.D. VYAS
PROPRIETOR

CONSOLIDATED BALANCE SHEET OF RAVINAY TRADING CO LTD AND ITS SUBSIDIARY COMPANY AS AT
31ST MARCH, 2006.

<u>SOURCES OF FUNDS</u>	<u>SCHEDULE</u>	<u>CURRENT</u> <u>YEAR</u> <u>Rupees</u>	<u>PREVIOUS</u> <u>YEAR</u> <u>Rupees</u>
<u>Shareholder's Funds</u>			
Share Capital	A	15,00,000	15,00,000
Reserves & Surplus	B	<u>8,30,76,815</u>	<u>65,30,281</u>
		<u>8,45,76,815</u>	<u>80,30,281</u>
<u>APPLICATION OF FUNDS</u>			
Investments	C	8,46,24,240	72,35,197
<u>Current Assets, Loans & Advances</u>			
Inventories	D	23,850	23,850
Cash & Bank Balances	E	1,06,749	9,60,719
Loans & Advances	F	<u>95,01,692</u>	<u>1,48,229</u>
		<u>96,32,291</u>	<u>11,32,798</u>
<u>Less: Current Liabilities & Provisions</u>	G	<u>96,79,716</u>	<u>3,37,714</u>
Net Current Assets		<u>(47,425)</u>	<u>7,95,084</u>
		<u>8,45,76,815</u>	<u>80,30,281</u>

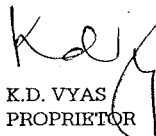
SIGNIFICANT ACCOUNTING POLICIES
AND NOTES ON ACCOUNTS


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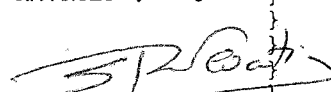
Schedule 'A' to 'K' forms part of the Accounts.

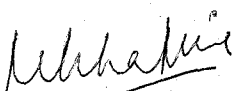
AS PER OUR REPORT OF EVEN DATE ATTACHED HERETO.

For K.D. VYAS & COMPANY
CHARTERED ACCOUNTANTS


K.D. VYAS
PROPRIETOR

R.V. RUIA 


S.R. NEVATIA


R.R. RUIA

DIRECTORS

Mumbai, dated 30th June, 2006.

Mumbai, dated 30th June, 2006.

CONSOLIDATED PROFIT & LOSS ACCOUNT OF RAVINAY TRADING CO LTD AND ITS SUBSIDIARY COMPANY AS AT
31ST MARCH, 2006.

	<u>SCHEDULE</u>	<u>CURRENT YEAR Rupees</u>	<u>PREVIOUS YEAR Rupees</u>
INCOME	H	8,62,53,826	14,94,241
Increase/(Decrease) in stock	I	—	—
		<u>8,62,53,826</u>	<u>14,94,241</u>
<u>EXPENDITURE</u>			
Salaries		25,936	12,000
Expenses	J	3,57,981	73,441
Audit Fee		<u>10,102</u>	<u>9,918</u>
		<u>3,94,019</u>	<u>95,359</u>
Profit for the year		8,58,59,807	13,98,882
<u>Less: Provision for Taxation</u>		<u>93,13,000</u>	<u>29,000</u>
Profit after Tax		7,65,46,807	13,69,882
<u>Add/Less: Income tax in respect of earlier years</u>		<u>247</u>	<u>516</u>
		<u>7,65,47,054</u>	<u>13,70,398</u>
<u>Add: Balance Brought Forward from previous year</u>		<u>55,05,311</u>	<u>42,93,209</u>
		<u>8,20,52,365</u>	<u>56,63,607</u>
 <u>Less: Proposed Dividend: Nil (Previous year : @ 10%)</u>		—	1,40,000
Corporate Dividend Tax		—	<u>18,296</u>
Fringe Benefit Tax		8,20,52,365	55,05,311
Balance Carried to Balance Sheet		<u>520</u>	—
		<u>8,20,51,845</u>	<u>55,05,311</u>
 Earning Per Share – Basic and Diluted.		<u>510.31</u>	<u>8.73</u>

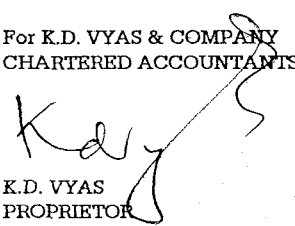
SIGNIFICANT ACCOUNTING POLICIES
AND NOTES ON ACCOUNTS

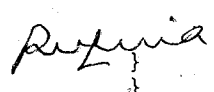
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Schedule 'A' to 'K' forms part of the Accounts.

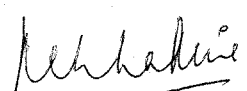
AS PER OUR REPORT OF EVEN DATE

For K.D. VYAS & COMPANY
CHARTERED ACCOUNTANTS


K.D. VYAS
PROPRIETOR

R.V. RUIA 


S.R. NEVATIA


R.R. RUIA

.. DIRECTORS

Mumbai, dated 30th June, 2006.

Mumbai, dated 30th June, 2006.

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	<u>CURRENT YEAR Rupees</u>	<u>PREVIOUS YEAR Rupees</u>		
SCHEDULE 'A' – SHARE CAPITAL				
<u>Subscribed & Paid-up</u>				
1,50,000 Equity Shares of Rs. 10/- each.	<u>15,00,000</u>	<u>15,00,000</u>		
SCHEDULE 'B' – RESERVES & SURPLUS				
a) Capital Reserve	10,24,970	10,24,970		
b) Profit & Loss Account	<u>8,20,51,845</u>	<u>55,05,311</u>		
	<u>8,30,76,815</u>	<u>65,30,281</u>		
SCHEDULE 'C' – INVESTMENTS (At Cost)				
A. In Shares – Quoted				
<u>Name of Company</u>	<u>No. of Shares</u>	<u>Rupees</u>	<u>No. of Shares</u>	<u>Rupees</u>
The Dawn Mills Company Limited	–	–	14,422	4,94,799
Bajaj Hindustan Ltd	200	9,83,626	–	–
Gujarat Ambuja Cements Ltd	18,000	47,645	2,400	47,645
Hindalco Industries Ltd	3,859	1,47,796	300	1,27,180
ICI India Ltd	1,509	11,645	1,509	11,645
M.R.P. Ltd	800	8,000	800	8,000
Nestle India Ltd	1,611	13,583	1,611	13,583
Recron Synthetics Ltd (formerly: Raymond Synthetics Ltd)	1,100	33,008	1,100	33,008
Shree Vindhya Paper Mills Ltd	4,000	2,20,000	4,000	2,20,000
Supreme Industries Ltd	563	1,19,350	563	1,19,350
Supreme Petrochem Ltd	700	<u>9,625</u>	700	<u>9,625</u>
		<u>15,94,278</u>		<u>10,84,835</u>
B. In Shares (Unquoted)				
Special Paints Limited	1,468	19,769	1,468	19,769
Sterling Re-Rolling Mills Ltd	3,600	<u>3,60,000</u>	3,600	<u>3,60,000</u>
		<u>3,79,769</u>		<u>3,79,769</u>
C. In Mutual Funds – (Unquoted)				
10000.000 (Nil) DSPML Mutual Fund – FYP SER – 3A – Growth of Rs.10/- each.		1,00,00,000		–
59616.1110 (Nil) DSPML Mutual Fund – Liq. Daily Dividend – Reinvestment of Rs.10/- each.		5,71,51,193		–
72787.806 (Nil) HDFC Mutual Fund – Equity Fund – Dividend of Rs.10/- each.		18,35,486		–
400000.000 (Nil) HDFC Mutual Fund – Fixed Mat. Plan 13 months – Growth of Rs.10/- each.		40,00,000		–
400000.000 (Nil) HDFC Mutual Fund – Fixed Mat. Plan 3 months – Growth of Rs.10/- each.		40,00,000		–
171724.77 (Nil) HDFC Mutual Fund – Prudence Fund – Dividend of Rs.10/- each.		33,40,249		–
1825.1960 (Nil) Templeton Mutual Fund – S.T. Growth of Rs.10/- each.		23,23,265		–
72787.806 (Nil) HDFC Mutual Fund – Equity Fund – Dividend of Rs.10/- each.				–
72787.806 (Nil) HDFC Mutual Fund – Equity Fund – Dividend of Rs.10/- each.				–
Nil (110111.975) units of Prudential ICICI Mutual Fund – PFRPG Prudential ICICI Floating Rate Plan Growth of Rs.10/- each.		–		11,73,188
Nil (108615.238) Units of Franklin Templeton Mutual Fund – Templeton Floating Rate Income Fund Short Term Plan – Growth of Rs.10/ each.		–		12,56,320
Nil (20139.295) units of HDFC Mutual Fund – HDFC Floating Rate Income Fund Short Term Plan Growth of Rs.10/- each.		–		2,17,385
Nil (161073.809) units of HDFC Mutual Fund–HDFC Prudence Fund – Dividend Reinvestment Plan of Rs.10/- each.		–		30,68,191
Nil (5514.810) units of HDFC Mutual Fund – HDFC Liquid Fund– Dividend Reinvestment of Rs.10/- each.		–		55,509
		<u>8,26,50,193</u>		<u>57,70,593</u>
Total of Quoted Investments (A)		15,94,278		10,84,835
Total of Unquoted Investments (B+C)		<u>8,30,29,962</u>		<u>58,27,090</u>
Total Investments (A+B+C)		<u>8,46,24,240</u>		<u>69,11,925</u>
Market Value of Quoted Investments		<u>63,61,583</u>		<u>68,06,028</u>
Repurchase price of units of Mutual Fund		<u>8,48,58,700</u>		<u>57,64,741</u>

		<u>CURRENT YEAR Rupees</u>		<u>PREVIOUS YEAR Rupees</u>
SCHEDULE "D"				
<u>INVENTORIES</u>				
Gujarat Ambuja Cements Ltd	9,000	<u>23,850</u>	1,200	<u>23,850</u>
SCHEDULE "E"				
<u>CASH & BANK BALANCES</u>				
Cash in hand	7,081		12,893	
With Scheduled Banks in Current Accounts	<u>99,668</u>	<u>1,06,749</u>	<u>9,47,826</u>	<u>9,60,719</u>
SCHEDULE "F"				
<u>LOANS & ADVANCES</u>				
Advance Tax & TDS.	94,85,452		1,28,869	
Other Advances	<u>16,240</u>	<u>95,01,692</u>	<u>19,360</u>	<u>1,48,229</u>
SCHEDULE "G"				
<u>CURRENT LIABILITIES & PROVISIONS</u>				
Sundry Creditors	3,00,716		72,918	
Provision for Taxation	93,79,000		1,06,500	
Proposed Dividend	-		1,40,000	
Corporate Dividend Tax	-	<u>96,79,716</u>	<u>18,296</u>	<u>3,37,714</u>
SCHEDULE "H"				
<u>INCOME</u>				
Dividend	28,79,995		11,83,388	
Capital Gain on sale of mutual funds & share investments	8,33,73,735		3,09,933	
Interest on I.T. Refund	<u>96</u>	<u>8,62,53,826</u>	<u>920</u>	<u>14,94,241</u>
SCHEDULE "I"				
<u>INCREASE/(DECREASE) IN STOCK</u>				
Closing Stock	23,850		23,850	
Less: Opening Stock	<u>23,850</u>		<u>23,850</u>	
SCHEDULE "J"				
<u>EXPENSES</u>				
Membership & Subscription	15,600		15,600	
Advertisement	21,725		23,096	
Miscellaneous Expenses	<u>3,20,656</u>	<u>3,57,981</u>	<u>34,745</u>	<u>73,441</u>

SCHEDULE " K "

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2006 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2006.

A. Significant Accounting Policies :

1. Basis of Consolidation:

(a) The consolidated financial statements are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

(b) Principles of consolidation:

The consolidated financial statements comprise the financial statements of Ravinay Trading Company Limited (the Company) and its 100% owned subsidiary. The financial statements of both the Companies are prepared according to uniform accounting policies in accordance with generally accepted accounting principles in India. The effects of inter-company transactions between consolidated Companies are eliminated on consolidation.

(c) Company included in consolidation:

Name: Vinaykumar Family Investments Ltd
Country of Incorporation: India
Proportion of ownership interest: 100% owned subsidiary

(d) System of Accounting:

The Company adopts the accrual concept in the preparation of its accounts.

(e) Investments:

Long Term Investments are carried at cost less provisions, if any for permanent diminution in value of such investments.

2. Earnings per share:

		<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Face Value per Share		10	10
Profit after tax (excluding short provision of taxation of earlier years)	Rs.	7,65,46,807	13,69,882
Number of Shares used in computing Earning per share – basic and diluted	Rs.	1,50,000	1,50,000
Earning per Share – basic and diluted	Rs.	510.31	9.13

3. Related Party Disclosure:

(a) List of Related Parties:

- Vinaykumar Family Investments Limited – wholly owned subsidiary.

4. Purchase and Sale of investments made during the year ended 31st March, 2006.

In units of Mutual Fund – Non Trade – Unquoted

Mutual Fund	Type	Purchase		Sale	
		No. of Units	Rupees	No. of Units	Rupees
HDFC Mutual Fund – HDFC FRIP – L.T. Plan	Growth	–	–	20139.2950	2,24,499
HDFC Mutual Fund – HDFC FRIP – L.T. Plan	Growth	–	–	49782.2890	5,75,800
HDFC Mutual Fund – HDFC Liq. Fund		–	–	5514.8100	55,543
Franklin Templeton Mutual Fund–Templeton FRIF Plan L.T.	Growth	–	–	1083340.4410	13,58,221
Prudential ICICI Mutual Fund – PFRPG Prudential ICICI Floating Rate Plan.	Growth	–	–	110111.9750	12,15,989
Franklin Templeton Mutual Fund–Templeton FRIF Fund S.T. Plan	Growth	–	–	108615.2380	13,01,797
DSPML Mutual Fund – FYP SER – 3A	Growth	10000.000	1,00,00,000	–	–
DSPML Mutual Fund – Liq. Daily	Div. Reinvestment	59616.1110	5,71,51,193	–	–
HDFC Mutual Fund – Equity Fund	Dividend	72787.806	18,35,486	–	–
HDFC Mutual Fund – Fixed Mat. Plan 13 months	Growth	400000.000	40,00,000	–	–
HDFC Mutual Fund – Fixed Mat. Plan 3 months	Growth	400000.000	40,00,000	–	–
HDFC Mutual Fund – Prudence Fund	Dividend	171724.77	33,40,249	–	–
Templeton Mutual Fund – S.T.	Growth	1825.1960	23,23,265	–	–
TOTAL			<u>8,26,50,193</u>		<u>47,31,849</u>

5. Payment to Auditors :

Audit Fees 10,102 Rs. 9,918

AS PER OUR REPORT OF EVEN DATE ATTACHED HERETO.

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R.V. RUIA

S.R. NEVATIA

R.R. RUIA

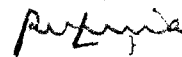
DIRECTORS

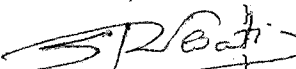
RAVINAY TRADING COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2006

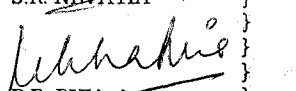
	<u>CURRENT YEAR Rupees</u>	<u>PREVIOUS YEAR Rupees</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	8,58,59,806	13,98,882
Adjustments for:		
Dividend Received	(28,79,995)	(11,83,388)
Capital Gain on Mutual Funds & share investments	(8,33,73,735)	(3,09,933)
Interest on I.T. Refund	(96)	(920)
Operating Profit before Working Capital Changes	(3,94,020)	(95,359)
Adjustments for:		
Trade and other Receivables	3,121	3,121
Cash generated from operations	(3,90,899)	(92,238)
Direct Taxes paid	(93,97,356)	(40,019)
Net Cash Flow from Operating Activities (A)	(97,98,255)	(1,32,257)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments in Mutual Funds etc.	(7,73,89,043)	(3,23,272)
Interest Received	96	11,83,388
Dividend Received	28,79,995	3,09,933
Capital Gain on Mutual Funds & share investments	8,33,73,735	920
Net Cash Used in Investing Activities (B)	88,64,783	11,70,969
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	2,27,798	2,358
Dividend paid (including Corporate Tax)	-	(1,40,000)
Net Cash Used in Financing Activities (C)	-	(1,37,642)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	8,53,970	9,01,070
Cash and cash equivalents (Op. Balance)	9,60,719	51,437
Cash and cash equivalents (Cl. Balance)	1,06,749	59,649

Note: Previous year's figures have been regrouped and rearranged wherever necessary.

R.V. RUIA 



S.R. NEVATIA



R.R. RUIA

DIRECTORS

Mumbai, dated 30th June, 2006.