



64th ANNUAL REPORT 2007-08



**Maha Rashtra Apex
Corporation Limited**

Regd. Office, Syndicate House, Manipal - 576 104

Respectful Salutations...



*Late Sri T Ramesh U Pai
&
Late Smt. Shanthi R Pai*



BOARD OF DIRECTORS

Chairperson	:	Smt. SHANTHI R PAI (UPTO 18.7.2008)
Executive Director	:	Sri G A REGO
Director	:	Sri S R GOWDA
Director	:	Sri K B SHETTY
Company Secretary	:	Sri J M PANDEY
Bankers	:	SYNDICATE BANK CORPORATION BANK ICICI BANK LTD KARNATAKA BANK LTD
Auditors	:	M/s RAO & SWAMI Chartered Accountants Vidyarthna Building UDUPI - 576 101
Registered Office	:	"Syndicate House" Upendra Nagar MANIPAL - 576 104



NOTICE

NOTICE is hereby given that the 64th Annual General Meeting of the members of MAHA RASHTRA APEX CORPORATION LIMITED will be held as follows:

Date : **Monday, September 29, 2008** Time: **4.00 p.m.**
Venue : **MANIPAL JUNIOR COLLEGE AUDITORIUM, MANIPAL - 576 104.**

The Agenda for the meeting is given below:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2008 and the Balance Sheet as on that date and the Report of the Board of Directors and Auditors thereon.
2. To Appoint a Director in the place of Sri K B Shetty who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

By Order of the Board,

Manipal
August 18, 2008

GA Rego
Executive Director

NOTES:

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 the proxy need not be a member.
2. Duly completed instrument of proxy must be lodged with the Company's Registered Office not less than 48 hours before the meeting time.
3. The Register of Members and share transfer books of the Company shall remain closed from 25.9.2008 to 27.9.2008 (both days inclusive).

By Order of the Board,

Manipal
August 18, 2008.

GA Rego
Executive Director



INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING REAPPOINTMENT OF DIRECTORS AND EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.2

Sri K B Shetty, a Chartered Accountant by profession is well versed in the field of Banking due to his vast experience holding key position in Nationalised Banks for a pretty long period. He was appointed as a Director of the Company w.e.f. 10th July, 2006. He is Chairman of the Audit Committee.

By Order of the Board,

Manipal
August 18, 2008.

GAREGO
Executive Director



DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the 64th Annual Report and Audited Statements of Account for the year ended 31st March, 2008.

FINANCIAL RESULTS

(Rs. in lakhs)

	Year ended March 31, 2008	Previous Year March 31, 2007
Profit before Interest, Depreciation, Lease Equalisation and Provision for Taxation	2039.67	(192.61)
Less: Interest	351.37	160.66
Lease Equalisation	(58.39)	(209.98)
Depreciation	96.52	107.33
	<u>389.50</u>	<u>57.71</u>
	1650.17	(250.32)
Less: Provision for Taxation	300.00	-
Provision for Fringe Benefit Tax	<u>1.20</u>	<u>1.25</u>
Net Profit	1348.97	(251.57)
Add: Previous year's surplus	<u>(12446.49)</u>	<u>(12194.92)</u>
Amount available for disposal	(11097.52)	(12446.49)

REVIEW OF OPERATION

Company was constrained to stop fund based business activities consequent upon the cancellation of licence by the Reserve Bank of India. Now Company is concentrating on recovery of dues from debtors and for making arrangements to augment sufficient funds out of the sale of Assets in its name for repaying the amount due to Creditors to comply with the directions of the Hon'ble High Court of Karnataka. During the year under review the collection of dues under HP/Lease/Loan/Bills etc was to the tune of Rs.1026.46 lakhs by Cash and Rs.125.02 lakhs through Bond/Deposit adjustment as on 31.3.2008. At present Company is making maximum efforts to arrange fund by sale of Assets as well as investments to clear the third instalment due to creditors.

The Company posted a profit of Rs 1348.97 lakhs for the Current year due to sale of the property. The sale proceeds appeared to be reasonably high to help the Company to clear second instalment. However, the Company is constrained to express its inability to declare dividend to Equity/Preference Share holders due to the loss incurred in the past.



SCHEME OF ARRANGEMENT

In terms of Scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka, the Company has repaid Deposits/Bonds aggregating to Rs.79.99 Crores till 31.3.2008. The details are given below:

(Rs. in Crores)

Instalments	Payable	Paid till 31.03.08
I	34.48	34.48
II	45.03	45.03
III	52.11	00.48
TOTAL	131.62	79.99

In addition to the above, the Company has also paid public deposits amounting to Rs.11.57 Crores out of Rs.12.59 Crores to investors having investment of Rs.5,000/- or less.

PERSONNEL

The Staff strength has been reduced considerably and the minimum staff members required for functioning of the Company are retained. The above austerity measures taken by the management helped a lot to reduce the over heads of the Company.

None of the employees of the Company is in receipt of remuneration exceeding the limits as specified in Section 217(2A) of the Companies Act, 1956.

SUBSIDIARY COMPANIES

As required under Section 212 of the Companies Act, 1956 the Audited Statement of Accounts along with reports of the Board of Directors and Auditors of Subsidiary Companies namely Maharashtra Apex Asset Management Company Ltd, Crimson Estates & Properties Pvt.Ltd., El'Dorado Investments Pvt.Ltd. and Riveira Steels Pvt.Ltd. are annexed.

DIRECTORS

During the year Smt Shanthi R Pai, Chairperson who had been associated with the Company expired on 18.7.2008.

Smt T Shanthi R Pai was appointed as Additional Director of the Company by the Board of Directors at its meeting held on 25th May, 2007. Being the wife of late Chairman Sri T Ramesh U Pai, Smt Shanthi R Pai had been associated with this Company for pretty long period and her involvement for the progress of the Company along with the late Chairman is worth mentioning.

The Company remembered and recorded her valuable and dedicated contribution to the Organisation during her life time.

Sri K B Shetty Director retires in the ensuing Annual General Meeting and being eligible offers himself for reappointment.



DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) Appropriate accounting policies have been selected 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 as on 31st March, 2008 and of the loss of the Company for the year ended as on that date.
- iii) Proper and sufficient care has been taken 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.
- iv) The annual accounts have been prepared on a going concern basis.

REPLY TO AUDITORS' OBSERVATION

The Board is taking various steps to accelerate recovery. It has constituted an Asset Recovery Board with adequate powers to settle One Time Settlement Cases. Recovery Facilitators are also appointed at selected places. Special efforts are on to induce the loan defaulters and bring them forward for settlement. The Company has met fair success in this process.

Consequent to the closure of most of the branches and discontinuation of business activities, there has not been any significant transactions which merit the continuance of Internal Audit system. Hence as a cost cutting measure the Internal Audit System has been discontinued with effect from the year 2003.

With regard to Auditors' observation in Paras 2(c)(f)(g)(i)(j)(k) and (l) explanations given in the relevant notes B(1) to B(5), B(16), B(19), B(23), and B(24) of Schedule 'M' of the Accounts are self-explanatory.

AUDITORS

M/s Rao & Swami, Chartered Accountants, Udupi, retire at the forthcoming Annual General Meeting. A Certificate under Section 224(1B) of the Companies Act, 1956 has been received from the Auditors, confirming that the appointment if made will be within the prescribed limits.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE

As your Company is not engaged in manufacturing activities, there is no information to submit in respect of the above.

CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement a detailed Report on Corporate Governance is enclosed. A Certificate from the Auditors regarding compliance of the conditions of Corporate Governance is made as part of this Report.

CASH FLOW STATEMENT

In conformity with Clause 32 of the Listing Agreement with Stock Exchanges the Cash Flow Statement for the period ended 31st March, 2008 is annexed herewith.



ACKNOWLEDGEMENTS

Your Directors would like to express their gratitude to all the Bankers of the Company for their continued support and co-operation. The Directors also thank the customers, creditors and shareholders for their support and the staff members for their devoted services.

For and On behalf of the Board,

Manipal
August 18, 2008

GARego
Executive Director

K B Shetty
Director



CORPORATE GOVERNANCE REPORT 2008

COMPANY'S PHILOSOPHY

The Company is much particular to uphold good Corporate Governance and has made maximum efforts to implement appropriate measures without fail for achieving this goal.

BOARD OF DIRECTORS

Composition of Board

The Board of Directors of the Company consists of Executive Director and Non-Executive Directors as on 31st March, 2008. 75% of the Board Members consisted of Non-Executive & Independent Directors. Composition of the Board of Directors of the Company and their other Directorship(s)/Committee Membership(s)/Chairmanship(s) as on 31st March, 2008 was as under:

Eight Board Meetings were held during the period 2007-08. These meetings were held on 6th April, 2007, 27th April, 2007, 25th May, 2007, 27th July, 2007, 20th August, 2007, 28th September, 2007, 30th October, 2007 and 30th January, 2008. The details are follows:

Sl. No.	Name of Director	Category of Directorship	No. of Meeting Attended *	Attendance at last AGM	No of other Directorship	No. of Membership Chairman(C)
1.	Sri T Sudhakar Pai*	Promoter Non-Executive Chairman	2	Yes	11	2
2.	Smt Shanthi R.Pai	Promoter Non-Executive Chairperson	4	No	1	2
3.	Sri G A Rego	Executive/Whole time Director	8	Yes	8	1
4.	Sri S R Gowda	Independent-Non-Executive	8	Yes	11	2
5.	Mr K B Shetty	Independent-Non-Executive	2	No	-	1

* Ceased to be Director w e f 25.5.2007

AUDIT COMMITTEE

Composition of the Audit Committee meets all the criteria under the law. The Committee comprises of three Directors, majority being Non-Executive and independent. It met five times during the period 2007-08 on 27th April, 2007, 27th July, 2007, 20th August, 2007, 30th October, 2007 and 30th January, 2008.

The Audit Committee comprised of the following members:

Sri K B Shetty	-	Chairman
Sri T Sudhakar Pai	-	Member (upto 25.05.2007)
Smt Shanthi R.Pai	-	Member (from 25.05.2007)
Sri S R Gowda	-	Member

The Company Secretary acts as the Secretary to the Audit Committee:



Attendance of the Directors in the Audit Committee Meeting:

Date of Meeting	No. of Members Present
27.04.2007	2
27.07.2007	3
20.08.2007	3
30.10.2007	2
30.01.2008	2

REMUNERATION COMMITTEE

The Non-Executive Directors stopped drawing any remuneration by way of sitting fees for attending Board/ Committee Meetings. Therefore Remuneration committee has not been formed.

Details of remuneration paid to the Whole-Time Director during the period from 1.4.2007 to 31.3.2008 is given here below:

i) Whole-Time Director	-	Rs.2.54 lakhs
ii) Non-Executive Directors	-	Nil

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Committee comprising three members of the Board, approves transfers, transmission issue of duplicate shares and review and redress Shareholders grievances/complaint on matters relating to transfer of shares and non-receipt of Balance Sheet. The Committee met 18 times during the year under report.

The composition of Shareholders/Investors' Grievance Committee and attendance of members in the meeting are given below:

Sl.No.	Name of Director	Category of Directorship	No. of Meeting Attended
1.	Sri T Sudhakar Pai	Promoter Non-Executive Chairman (upto 25.5.2007)	1
2.	Smt Shanthi R Pai	Promoter Non-Executive Chairperson (from 25.5.2007)	17
3.	Sri GA Rego	Executive Director	18
4.	Sri SR Gowda	Independent-Non-Executive	18

ANNUAL GENERAL MEETINGS

The last three Annual General Meetings were held at Manipal Junior College Auditorium, Manipal as under:

AGM No.	DATE	TIME	Special Resolution required for
61	29.9.2005	4.00 p.m.	Nil
62	29.9.2006	4.30 p.m.	i) Appointment of Sri G A Rego as Executive Director (Whole time Director) (ii) Alteration of Memorandum & Articles of Association due to sub-division of Shares.
63	28.9.2007	4.00 p.m.	Alteration of Memorandum & Articles of Association Due to consolidation of Shares.

All the resolutions as set out in the respective notices were passed by the Share holders. No special resolution was required to be put through Ballot.

POSTAL BALLOT

The Notice of 64th Annual General Meeting for the year 2008 does not contain any item which requires approval by Postal Ballot.

DISCLOSURES

Due to non-compliance of certain clauses of Listing Agreement the Trading of the Company's scrips was suspended by NSE and BSE on 11.11.2002 and 6.7.2005 respectively. We have already taken adequate steps to fulfill the requirements of NSE and BSE to get the suspension revoked as early as possible.

The Company does not have any related party transactions that are material in nature either with its promoters and/or their subsidiary Companies, Directors, Management and relatives etc.

MEANS OF COMMUNICATION

- Quarterly/Half/Yearly Financial Results of the Company are forwarded to Stock Exchanges in addition to getting the same published in the National & Regional Newspapers as per the Listing Agreement.
- Company does not have web site.
- Company has not made any presentations to any institutional Investors/Analyst during the year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Consequent upon the cancellation of the NBFC licence the Company desisted from accepting deposit and doing Hire Purchase/Lease/ Loan Business. At present Company's activities are restricted to recovery of Hire Purchase instalments/Loans. The Company is also concentrating on repayment of Deposit/Bonds as per the Scheme of arrangement/restructure sanctioned by the Hon'ble High Court of Karnataka.

BUSINESS REVIEW

During the year the Company recovered a sum of Rs.1026.46 lakhs by way of Cash apart from Rs.125.02 lakhs through Bond/Deposit adjustments.



REPAYMENT OF DEPOSIT/BOND

In terms of Scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka, the Company has repaid public investments aggregating to Rs.79.99 Crores till 31.3.2008. The details are given below:

(Rs. in Crores)

Instalments	Payable	Paid till 31.03.08
I	34.48	34.48
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III	52.11	00.48
TOTAL	131.62	79.99

In addition to the above, the Company has also paid public deposits of Rs.11.57 Crores out of Rs.12.59 Crores to investors having investment of Rs.5,000/- or less.

INTERNAL CONTROL SYSTEM

All payments are made from Head Office only and existing Branches are not permitted to disburse any amount without obtaining prior approval from Head Office.

DISCUSSION ON FINANCIAL PERFORMANCE

This subject has been covered in the Directors' Report.

HUMAN RESOURCE DEVELOPMENT

The Number of staff has been reduced to the minimum which is essential to run the organization. There are only 71 Staff members working in the entire organization as on 31.3.2008.

GENERAL SHAREHOLDERS INFORMATION

- a) Annual General Meeting : 64th Annual General Meeting
 - Date : 29.9.2008
 - Time : 4.00 PM
 - Venue : Manipal Junior College Auditorium, Manipal -576 104.
- b) Financial Year : 1st April to 31st March.
- c) Date of Book-Closure : 25.9.2008 to 27.9.2008 (both days inclusive)
for the purpose of Annual General Meeting of the Company.
- d) Dividend : The Board of Directors have not recommended any dividend on Equity Shares for the period 2007-08.
- e) Registered Office : Syndicate House
Upendra Nagar
MANIPAL - 576104



f) Listing on Stock-Exchanges : The Equity Shares are listed at the Bombay Stock Exchange Ltd & National Stock Exchange Ltd.

The Listing Fee for the year 2008-09 has been paid to both of the Stock Exchanges where the Company's Shares are listed.

g) a) Stock Code BSE : 523384
NSE : MAHAPEXLTD

b) Demat ISIN Number of Equity Shares of the Company : INE843B01013

As on 31st March, 2008, 45,42,394 Equity Shares forming 32.10% Share Capital of the Company stands Dematerialised.

h) Market Rate Data : Not Available

The Company had in-house Share Transfer Department. All the transfers received are processed and approved by the Share Transfer Committee at its meeting.

i) DISTRIBUTION OF EQUITY SHAREHOLDING ON 31st MARCH, 2008:

No. of shares	No. of Shareholder	No. of Shares	Percentage
1 To 500	10246	2634866	18.62%
501 To 1000	1353	958292	6.77%
1001 To 2000	414	575210	4.07%
2001 To 3000	84	211307	1.49%
3001 To 4000	33	114439	0.81%
4001 To 5000	14	62064	0.44%
5001 To 10000	34	246053	1.74%
Above 10000	31	9347869	66.06%
Total:	12209	14150100	100.00%



SHAREHOLDING PATTERNS AS ON 31st MARCH, 2008

Category	No. of Shares held	Percentage of Shareholding
A. Directors, Relatives Friends and Associates	87,03,442	61.51
B. Institutional Investors	-	-
C. Mutual Funds and UTI	-	-
D. Banks	2,098	0.01
E. FIs	-	-
F. Private Corporate Bodies	52,528	0.37
G. Indian Public	53,90,942	38.10
H. NRIs/OCBs	1,090	0.01
I. Any other(Please specify)	-	-
GRAND TOTAL	1,41,50,100	100.00

j) Plant Locations: Nil

k) ADDRESS FOR INVESTORS CORRESPONDENCE:

Secretarial Department
Maha Rashtra Apex Corporation Ltd
Syndicate House
MANIPAL - 576104

Phone: (0820) 2571024

E-mail: mracl.ho@manipal.com

DECLARATION

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, all Board Members and Senior Management Personnel affirmed compliance with the respective provisions of code of Conduct of the Company for the year ended 31st March, 2008.

**GA Rego
Executive Director**



Maha Rashtra Apex
Corporation Limited



AUDITORS' CERTIFICATE

We have examined the compliance of corporate governance by Maha Rashtra Apex Corporation Ltd (the Company) for the year ended 31st March, 2008, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for the ensuring the compliance of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on such examination, to the best of our information and according to the explanations given to us, we certify that the Company has complied with the material conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by 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 RAO & SWAMI,
Chartered Accountants

Udupi
August 18, 2008

PV SHENOY
Partner
Membership No. 020205



AUDITORS' REPORT

To the members of MAHARASHTRA APEX CORPORATION LIMITED

We have audited the attached Balance Sheet of MAHARASHTRA APEX CORPORATION LIMITED as at 31st March, 2008 and the annexed Profit & Loss Account 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.

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 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in Paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in Paragraph (1) 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 account as required by law have been kept by the Company so far as appears from examination of those books.
 - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d) On the basis of the written representations received from the Directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2008 from being appointed as Directors of this Company in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - e) In our opinion, the Balance Sheet and Profit & Loss Account, dealt with by this report, have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, except Note Nos. B(13)16 and B(19) of Schedule-M regarding creation of Capital Redemption Reserve for redemption of 14% Cumulative Preference Shares, Employees Benefits Revised (2005) and contribution of Deferred tax Asset.
 - f) In terms of direction issued by RBI, we state that:
 - i) The Company has not obtained Credit Rating
 - ii) The Capital Adequacy Ratio is negative.
 - iii) There has been some delay in submission of Statements to RBI.
 - iv) In view of the negative networth, all lendings and investments are in excess of Credit Concentration Limit stipulated by the Reserve Bank of India.



- v) The company has encashed all the approved securities and utilised for repayment of deposits.
- g) Though the networth of the Company is negative, it has prepared the accounts on "going concern" basis on the presumption that deficit in operations will be effectively monitored (refer Note No.B(3) Of Schedule-M).
- h) By its order dated 13th June, 2002, RBI has cancelled the Certificate of Registration granted to the Company to act as Non-Banking Financial Company.
- i) Accrued interest on deposits and bonds were provided upto 31.3.2002 only as per the Scheme of Restructure of the debts of the Company as sanctioned by the Hon'ble High Court of Karnataka (refer Note B(1)(a) of Schedule-M).
- j) The company has stopped repayment of deposits/bonds on maturity dates, till the sanction of Scheme of Restructure by the Hon'ble High Court of Karnataka on 8th October, 2004. Now the company has started repayment as per the sanctioned Scheme (refer Note Nos.B(1) and (2) of Schedule-M).
- k) Though the management is of the view that it will be able to monitor effectively the deficit in operation, we are unable to comment on the ultimate realisability of company's assets.
- l) Provision has not been made as required under RBI Prudential Norms since 1.4.2000. Had this been provided for, the net assets would have been less and the accumulated loss would have been more by the provision required (Refer Note No. B(6) of Schedule-M).
- m) Subject to the comments made in Para (e), (f), (g), (h), (i), (j), (k) and (l) above, in our opinion and to the best of our information and according to the explanations given to us the said accounts read together 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:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008 and,
- (ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date.
- iii) in the case of Cash Flow statement, of the Cash Flow for the year ended on that date.

for RAO & SWAMI,
Chartered Accountants

UDUPI
August 18, 2008

PV SHENOY
Partner
Membership No.020205



ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 of our report of even date:

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that these fixed assets have been physically verified by the Management once in a year and no serious discrepancies have been Noticed on such verification. We are informed that assets on lease are not physically verified as most of the lease accounts are under legal proceedings and the value of these assets are not significant.
- ii) The Company has informed us that stock on hire could not be physically verified as most of the hire purchase accounts are irregular and legal proceeding are in progress for recovery of dues.
- iii) a) As per the explanations furnished by the Management, during the year the Company has not granted any loans, secured or unsecured to Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
b) We are informed that certain Companies to which loans were granted earlier are now having common directors with the lending company on account of change of directors subsequently. In the opinion of the management, section 297 and 299 are not applicable to these companies as per subsection (6) of section 299 of the Companies Act, 1956.
c) Though the Company is persuading the borrowers to repay the loans, we are of the opinion that more efforts are required to be put for the recovery of these loans.
d) As per the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase and sale of assets. During the course of Audit, no major weakness has been noticed in the internal controls.
- v) We are informed by the Management that Register required to be maintained u/s 301 is properly maintained and during the year Company has not entered into any transactions which are required to be entered in the Register maintained under section 301, as Section 297 and 299 are not applicable to transactions between two companies covered under sub-section 6 of section 299 of the Companies Act, 1956.
- vi) Though the company had stopped repayment of deposits/debentures matured after 15th April, 2002, in view of the Scheme of Restructure filed before the Hon'ble High Court of Karnataka, it has started the repayment of deposits/bonds as per the Scheme sanctioned by the Hon'ble High Court of Karnataka as referred in Note No.B(1) of Schedule-M. The case filed by depositor before National Consumer Forum, New Delhi, criminal cases filed at JMFC, Yellapur and JMFC, Davangere also are pending. We are informed by the management that there are no orders by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or Tribunal.
- vii) We are informed that the Company has discontinued the Internal Audit system on account of discontinuance of its regular business from 15th April, 2002.
- viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.



ix) a) According to the information and tax service records under Statutory dues applicable to it and there are no arrears of outstanding statutory dues for a period of more than six months from the date they became payable.

b) According to the records of the Company, disputed Income-Tax has been adjusted from the refund due and the Sales-Tax dues which has not been deposited on account of dispute are given below:

(Rs. in lakhs)

Name of the Statute	Nature of Period Arrears	Forum where dispute is pending	Amount
Andhra Pradesh Sales Tax Act	Sales Tax 95-96, 96-97	Sales Tax Appellate Tribunal	17.54

x) The net worth of the Company is completely eroded. The Company has not incurred cash loss for the year, previous year Rs.353.27 lakhs.

xi) As per the information given by the company, there are no defaults in repayment of dues to financial institutions or banks. In respect of matured debentures and interest accrued there on upto 31.3.2002, company is in the process of payment to debenture-holders as per the Scheme of Compromise and Arrangement sanctioned by the Hon'ble High Court of Karnataka on 8th October, 2004 (refer Note No.B(1) of Schedule-M).

xii) In our opinion, the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) As the Company is not a Chit Fund, Clause 4(xiii) of the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 is not applicable to the Company.

xiv) The Company is not dealing or trading in shares, securities and other investments. The shares, debentures and other securities held by the Company as long term investments are held in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956, in respect of Subsidiary, Riveira Steels Pvt.Ltd.

xv) As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

xvi) During the year the Company has not taken term loans from banks or financial institutions and there are no outstanding loans as on 31st March, 2008.

xvii) During the year the Company has not raised any short term funds. The Company is in the process of repaying the overdue long term funds, (all are raised before 31.3.2002) as per the Scheme of Arrangement sanctioned by the High Court of Karnataka (Refer Note No.B(2)).

xviii) The Company has not made any allotment of shares during the year.

xix) As per the information and explanations given to us the Company has created securities in respect of debentures issued. As per the Scheme of Restructure sanctioned by the High Court, the unpaid deposits also are secured by charge on company's financial assets (Refer Note No.B(1)(i)).

xx) The Company has not made any public issues.



xxi) As per the explanations given to us and also on the basis of verification made by us, we report that no fraud on or by the Company has been noticed or reported during the course of audit.

for RAO & SWAMI,
Chartered Accountants

UDUPI
August 18, 2008

PV SHENOY
Partner
Membership No.020205



BALANCE SHEET AS AT 31st MARCH, 2008

(Rs. in lakhs)

Schedule	Current Year March 31, 2008	Previous Year March 31, 2007
SOURCES OF FUNDS		
1. Shareholder's Funds		
a) Share Capital	A 1442.70	1442.70
b) Reserves and Surplus	B 0.00	0.00
	1442.70	1442.70
2. Loan Funds		
a) Secured Loans	C <u>17516.83</u>	<u>21781.02</u>
	17516.83	<u>21781.02</u>
TOTAL	<u>18959.53</u>	<u>23223.72</u>
APPLICATION OF FUNDS		
1. Fixed Assets		
Gross Block	D 2919.47	3672.58
Less: Depreciation	<u>1841.26</u>	<u>1866.67</u>
	1078.21	1805.91
Less: Lease Terminal Adjustment	<u>505.28</u>	<u>612.45</u>
	572.93	1193.46
2. Investments	E 3050.14	2846.71
3. Current Assets, Loans and Advances		
a) Current Assets	F 4731.39	5597.75
b) Loans and Advances	G <u>5351.61</u>	<u>5832.25</u>
	10083.00	11430.00
Less: Current Liabilities & Provisions	H <u>3684.18</u>	<u>2911.06</u>
Net Current Assets	6398.82	8518.94
4. Miscellaneous Expenditure to the extent not written off [Share/Debenture Issue Expenses]	0.00	0.47
5. Profit & Loss Account	11097.52	12446.49
Less: Reserves as per Schedule B	<u>2159.88</u>	<u>1782.35</u>
TOTAL	<u>8937.64</u>	<u>10664.14</u>
	<u>18959.53</u>	<u>23223.72</u>

For Notes on Accounts - Schedule M

GAREGO
Executive Director

KBSHETTY
Director

As per our attached
Report of even date,
for **RAO & SWAMI**
Chartered Accountants.

S R GOWDA
Director

J M PANDEY
Company Secretary

P V SHENOY
Partner
Membership No.020205
Udupi
August 18, 2008

Manipal
August 18, 2008



PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDING 31st MARCH, 2008

(Rs. in lakhs)

Schedule	Current Year March 31, 2008	Previous Year March 31, 2007
INCOME		
Income from Operations I	170.77	198.24
Other Income J	<u>2433.21</u>	<u>294.52</u>
TOTAL	<u>2603.98</u>	<u>492.76</u>
EXPENDITURE		
Interest K	351.37	160.66
Administration & Other Expenses L	564.31	685.36
Depreciation	<u>96.52</u>	<u>107.04</u>
TOTAL	<u>1012.20</u>	<u>953.06</u>
Profit after Interest & Depreciation	1591.78	(460.30)
Add/less: Lease Equalisation	<u>58.39</u>	<u>209.98</u>
Profit/Loss before tax	<u>1650.17</u>	<u>(250.32)</u>
Provision for Taxation	300.00	0.00
Provision for Fringe benefit tax	1.20	1.25
Profit after Tax	1348.97	(251.57)
Add: Balance of Profit from previous year	(12446.49)	(12194.92)
Balance carried to Balance Sheet	(11097.52)	(12446.49)
Earning per Share [Basic / Diluted]	9.53	(0.18)

For Notes on Accounts - Schedule M

As per our attached
Report of even date,
for RAO & SWAMI
Chartered Accountants

GAREGO
Executive Director

KB SHETTY
Director

SR GOWDA
Director

JM PANDEY
Company Secretary

PV SHENOY
Partner
Membership No.020205

Manipal
August 18, 2008

Udupi
August 18, 2008



SCHEDULES FORMING PART OF ACCOUNTS AS ON 31st MARCH, 2008

(Rs. in lakhs)

	Current Year March 31, 2008	Previous Year March 31, 2007
SCHEDULE - A: SHARE CAPITAL		
Authorised		
20000000 Equity Shares of Rs. 10/- each,	2000.00	2000.00
20000000 Redeemable Cumulative Preference Shares of Rs. 10/- each (P.Y. 200000000 Equity Shares of of Re. 1/- each and 2,00,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each)	2000.00	2000.00
	<u>4000.00</u>	<u>4000.00</u>
Issued		
14150100 Equity Shares of Rs. 10/- each, (P.Y. 141501000 Equity Shares of Rs. 1/- each)	1415.01	1415.01
1763500 17.5% Redeemable Cumulative Preference Shares of Rs. 10/- each	176.35	176.35
6236500 14% Redeemable Cumulative Preference Shares of Rs. 10/- each	623.65	623.65
	<u>2215.01</u>	<u>2215.01</u>
(a) 14150100 Equity Shares of Rs. 10/- each, fully Called-up (P.Y. 141501000 Equity Shares of Re. 1/- each fully Called-up)	1415.01	1415.01
Less: Calls Unpaid [Dues from Directors: Nil]	3.93	3.93
	<u>1411.08</u>	<u>1411.08</u>
Of the above		
(i) 11,667 Equity Shares of Rs. 10/- each were allotted as fully paid pursuant to terms of amalgamation without payment being received in cash		
(ii) 4,00,000 Equity Shares of Rs. 10/- each allotted as fully paid bonus shares on capitalisation of Reserves		
(iii) 4,08,240 Equity Shares of Rs. 10/- each allotted as fully paid bonus shares on capitalisation of Share Premium Account		
(b) 316200 14% Redeemable Cumulative Preference shares of Rs. 10/- each	31.62	31.62
TOTAL	<u>1442.70</u>	<u>1442.70</u>



SCHEDULES FORMING PART OF ACCOUNTS AS ON 31st MARCH, 2008 (Contd.)
(Rs. in lakhs)

	Current Year March 31, 2008	Previous Year March 31, 2007
SCHEDULE - B: RESERVES AND SURPLUS		
(a) Capital Reserve		
i) Balance brought down	222.48	35.30
ii) Transfer during the year	<u>377.53</u>	<u>187.18</u>
	600.01	222.48
(b) Capital Redemption Reserve [Redemption of 17.5% RCP Shares]	176.35	176.35
(c) Share Premium	997.48	997.48
(d) General Reserve	226.52	226.52
(e) Special Reserve [Pursuant to RBI (Amendment) Act, 1997]	159.52	159.52
TOTAL	<u>2159.88</u>	<u>1782.35</u>
SCHEDULE - C: SECURED LOANS		
From OTHERS		
Unpaid Creditors being outstanding Bonds/Deposits maturing after 31.03.2002 and inter corporate deposit (Secured by first charge on Co's financial assets book debts, receivables and pledge of Kurlon Shares)	17516.83	21781.02
TOTAL	<u>17516.83</u>	<u>21781.02</u>

SCHEDULE - D: FIXED ASSETS

(Rs. in lakhs)

	GROSS BLOCK [at cost]				DEPRECIATION				NET BLOCK	
	As on 01-Apr-2007	Additions	Deductions	As on 31-Mar-2008	Upto 31-Mar-2007	For the Year	On Assets Sold	Upto 31-Mar-2008	As on 31-Mar-2008	As on 31-Mar-2007
COMPANY ASSETS										
Land	226.54	0.00	189.20	37.34	0.00	0.00	0.00	0.00	37.34	226.54
Buildings	950.30	4.31	463.86	490.75	144.67	11.53	59.98	96.22	394.53	805.63
Office Furniture & Equipments	564.37	2.21	7.88	558.70	453.97	16.23	5.78	464.02	94.68	110.80
Motor Cars & Other Vehicles	13.05	4.08	3.95	13.18	9.50	0.98	3.06	7.42	5.76	3.55
TOTAL	1754.26	10.60	664.89	1099.97	607.74	28.74	68.82	567.66	532.31	1146.52
ASSETS ON LEASE										
Plant & Machinery	1877.67	0.00	98.82	1778.85	1225.07	66.44	53.11	1238.40	540.45	652.60
Motor Vehicles	15.67	0.00	0.00	15.67	15.66	0.00	0.00	15.66	0.01	0.01
Gas Cylinders	3.20	0.00	0.00	3.20	3.20	0.00	0.00	3.20	0.00	0.00
Furniture	21.78	0.00	0.00	21.78	15.00	1.34	0.00	16.34	5.44	6.78
TOTAL	1918.32	0.00	98.82	1819.50	1258.93	67.78	53.11	1273.60	545.90	659.39
GRAND TOTAL	3672.58	10.60	763.71	2919.47	1866.67	96.52	121.93	1841.26	1078.21	1805.91





SCHEDULES FORMING PART OF ACCOUNTS AS ON 31st MARCH, 2008 (Contd.)

(Rs. in lakhs)

	Current Year March 31, 2008	Previous Year March 31, 2007
SCHEDULE - E: INVESTMENTS		
LONG TERM INVESTMENTS - AT COST		
A. GOVERNMENT SECURITIES		
6 year National Savings Certificate at cost	0.14	0.14
B. TRUSTEE SECURITIES		
1518 6.75% Tax Free US64 Bonds of Rs.100/- each	1.51	1.51
83800 Units of UTI - Masterplus - 91, of Rs.10/- each	14.41	14.41
6500 Units of UTI - Mastershare, of Rs.10/- each	0.92	0.92
	<u>16.84</u>	<u>16.84</u>
C. OTHER INVESTMENTS		
a) Quoted Equity Shares		
20000 Voltas Limited shares of Rs.1/- each	2.92	2.92
2200 TATA Power Company Limited shares of Rs.10/- each	2.62	2.62
16000 ICDS Ltd. shares of Rs.10/- each	6.59	6.59
56000 Centurian Bank of Punjab Ltd. Shares of Rs.10/- each	6.84	0.00
	<u>18.97</u>	<u>12.13</u>
b) Unquoted Debentures		
750 Jay Rapid Roller Limited Debentures of Rs.1000/- each	7.50	7.50
	<u>7.50</u>	<u>7.50</u>
c) Unquoted Equity Share		
3000 General Investment & Commercial Corporation Ltd. Shares of Rs.10/- each	0.30	0.30
2000 Shamrao Vithal Co-operative Bank Ltd. Shares of Rs.25/- each	0.50	0.50
36368 Rajmahal Hotels Ltd. Shares of Rs.10/- each	0.76	0.76
58436 Mangala Investments Ltd. Shares of Rs.10/- each	1.50	1.50
40000 Lord Krishna Bank Ltd. shares of Rs.10/- each	0.00	6.84
200000 Manipal Motors (P) Ltd. Shares of Rs.10/- each	20.00	20.00
600000 Manipal Home Finance Ltd. Shares of Rs.10/- each	60.40	60.40
33990 Manipal Springs Ltd. Shares of Rs.100/- each	34.16	34.16
4000 MPL Finance & Leasing Ltd. Shares of Rs.10/- each	1.65	1.65
116102 Manipal E'Commerce Ltd. shares of Rs.10/- each	1.61	11.61
5692804 Kurlon Limited shares of Rs.10/- each	1714.44	1714.44
750000 Manipal Automobiles Pvt.Ltd., of Rs.10/- each	75.00	75.00
	<u>1920.32</u>	<u>1927.16</u>
d) Unquoted Preference Shares		
200000 13.50% Redeemable Non-Cumulative Preference Shares of El'Dorado Investments Company (P) Ltd. of Rs.100/- each	200.00	0.00



SCHEDULES FORMING PART OF ACCOUNTS AS ON 31st MARCH, 2008 (Contd.)

(Rs. in lakhs)

	Current Year March 31, 2008	Previous Year March 31, 2007
5025100 Maharashtra Apex Asset Management Co.Ltd. shares of Rs. 10/- each	502.51	502.51
1000000 Revereira Steels Pvt. Ltd. shares of Rs. 100/- each	119.00	119.00
760000 E/P Dorado Investments (P) Ltd. shares of Rs. 10/- each	76.13	76.13
1799950 Crimson Estates & Properties Pvt. Ltd. shares of Rs. 10/- each	180.30	180.30
	<u>877.94</u>	<u>877.94</u>
D. MUTUAL FUNDS		
54001.28 FT India - Balanced Fund (Growth) @ 15.62 each	8.43	5.00
[Total Market Value of Shares, Debentures, Trustee Securities and Mutual Funds - Rs. 155.50 lakhs] (Previous Year Rs. 100.73 lakhs)]	<u>8.43</u>	<u>5.00</u>
TOTAL	<u><u>3050.14</u></u>	<u><u>2846.71</u></u>
SCHEDULE - F: CURRENT ASSETS		
Considered Good		
Interest accrued on Investments	0.79	4.15
Unsecured and Considered Good		
Commission and Rent Receivable		
- Due for more than 6 months	651.05	725.19
- other debts	2.60	1.38
	<u>653.65</u>	<u>726.57</u>
Sundry Debtors		
- Due for more than 6 months	896.52	1157.96
- other debts	51.81	9.65
	<u>948.33</u>	<u>1167.61</u>
Motor Vehicles/Machineries given on Hire Purchase contract [at agreement value less amount received, unexpired & unearned Finance Charges and Insurance & Taxes for the future period]	2415.21	2919.88
Repossessed vehicles at cost	4.71	9.97
Stamps in hand	0.20	0.17
Stock of Stationery on hand at cost	0.93	0.99
Cash in hand	4.50	4.13
With Scheduled Banks in Over Draft/Current accounts	60.74	70.57
With Scheduled Banks in Deposit accounts	642.33	693.71
TOTAL	<u><u>4731.39</u></u>	<u><u>5597.75</u></u>



SCHEduLES FORMING PART OF ACCOUNTS AS ON 31st MARCH, 2008 (Contd.)
(Rs. in lakhs)

	Current Year March 31, 2008	Previous Year March 31, 2007
SCHEDULE - G: LOANS AND ADVANCES		
CONSIDERED GOOD		
A. Secured		
Demand Loan	559.54	804.86
Bills Discounted	85.40	118.70
B. Unsecured		
Bills Discounted	285.47	306.83
Advances for which the Company holds no other security than Debtors' personal Security	3377.49	3703.87
Other Deposits	27.04	179.24
Advance for purchase of Assets for		
Advance Recoverable in Cash or Kind	189.03	128.79
Advance Income-Tax and TDS - [Less provision]	823.70	587.36
Advance Fringe Benefit Tax	3.94	2.60
TOTAL	<u><u>5351.61</u></u>	<u><u>5832.25</u></u>
SCHEDULE - H: CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors	306.44	177.94
Matured Deposit/Bonds with Interest	192.98	234.89
Amount due to Subsidiaries	379.37	312.87
Unclaimed Deposits - Investors	0.47	0.41
Unclaimed Dividends	0.00	0.72
Delayed period interest on deposit	505.75	160.17
Unclaimed Preference Shares	0.00	2.86
Collection and other Accounts	503.37	523.86
Liabilities for Expenses	14.37	17.11
B. Provisions		
For Income Tax	300.00	0.00
For Non-performing Assets	1262.28	1262.28
For Reduction in Value of Investments	215.55	215.55
Fringe Benefit Tax	3.60	2.40
TOTAL	<u><u>3684.18</u></u>	<u><u>2911.06</u></u>



SCHEDULES FORMING PART OF ACCOUNTS AS ON 31st MARCH, 2008 (Contd.)
(Rs. in lakhs)

	Current Year March 31, 2008	Previous Year March 31, 2007
SCHEDULE - I: INCOME FROM OPERATIONS		
Income from Hire Purchase, Lease, Loans & Advances [Tax Deducted at Source Rs. nil] (Previous Year Rs. 67,320/-)]	133.57	154.30
Interest - Investments		
(a) Long Term	32.65	39.14
[Tax Deducted at Source Rs. 9,43,713/-] (Previous Year Rs. 8,78,180/-)]		
Lodging Business - Lease Rent [Tax Deducted at Source Rs. 1,09,064/-] (Previous Year Rs. 1,04,040/-)]	4.55	4.80
TOTAL	<u>170.77</u>	<u>198.24</u>
SCHEDULE - J: OTHER INCOME		
Miscellaneous Receipts	0.49	1.13
Service Charges [Tax Deducted at Source Rs. 11,053/-] (Previous Year Rs. 35,000/-)	3.98	16.79
Income from House Property [Tax Deducted at Source Rs. 6,17,857/-] (Previous Year Rs. 5,60,480/-)	27.49	28.06
Dividend Income		
Long Term		
- Others	114.70	121.28
[Tax Deducted at Source Rs. nil] (Previous Year Rs. nil)		
Bad Debts Recovered	91.60	73.38
Profit on Sale of Assets/Investments	2077.52	14.36
Interest Remission	117.43	39.52
TOTAL	<u>2433.21</u>	<u>294.52</u>



SCHEDULES FORMING PART OF ACCOUNTS AS ON 31st MARCH, 2008 (Contd..)

(Rs. in lakhs)

	Current Year March 31, 2008	Previous Year March 31, 2007
SCHEDULE - K: INTEREST EXPENDITURE		
Others	351.37	160.66
TOTAL	351.37	160.66
SCHEDULE - L: ADMINISTRATION AND OTHER EXPENSES		
Salaries & Bonus	66.32	70.76
Contribution to Provident and Other Funds	7.08	7.41
Gratuity	2.15	1.86
Printing and Stationery	2.54	2.13
Postage and Telephone Charges	11.90	10.19
Computers and Other Service Charges	11.28	16.17
Sitting Fees - SNC Meeting	1.45	0.00
Filing Fees	1.29	1.24
General Charges	14.78	20.04
Fire and other Insurance Premium	0.70	0.50
Share Issue Expenses	0.47	0.23
Debenture Issue Expenses	0.00	0.75
Newspapers, Books and Periodicals	0.24	0.29
Stamp Duty Paid	0.01	0.01
Staff Welfare Expenses	4.93	5.51
Remuneration to Auditors		
- Audit Fees	1.75	1.75
- Certification Charges	0.25	0.25
- Out of Pocket Expenses & Service Tax	0.40	0.37
	2.40	2.37
Rental Expenditure	11.52	7.85
Taxes and Licence	4.07	6.82
Travelling Expenses	9.82	9.44
Legal Expenses	16.54	15.58
Advertisement Charges	0.88	11.76
Bank Charges	0.76	3.53
Electricity Charges	5.07	3.41
Repairs to Buildings	3.72	8.29
Other Repairs	0.40	0.56
Vehicle Maintenance	4.31	5.59
Commission	18.59	13.31
Sales Tax	0.00	5.49
Bad Debts	361.09	454.27
TOTAL	564.31	685.36



SCHEDULE - M: ACCOUNTING POLICY AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008:

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting and Income Recognition:
 - a) The financial statements are prepared under the historic cost convention in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted consistently by the Company.
 - b) The income from Bank Deposits and Government Securities are accounted on accrual basis.
 - c) Dividend on shares, interest on Debentures, Non-Performing Assets, overdue compensation, income from suit filed accounts and miscellaneous income are accounted as and when received.
2. Fixed Assets are stated at Original Cost less depreciation after taking into consideration the Lease adjustment account wherever necessary.
3. All Expenses are accounted on accrual basis except interest for the year on deposits/bonds as per Note-B(1)(a).
4. Investments are valued at cost. Diminution in the value of investments is shown under note no.B(6)(b) of this schedule.
5. Depreciation:
 - i) Written Down Value Method: In respect of assets acquired prior to 31st March, 1991 depreciation is charged under Written Down Value method at the rates specified in Notification No.GSR 756(e), dated 16th December 1993, in Schedule XIV of the Companies Act, 1956.
 - ii) Straight Line Method: On assets acquired after 1.4.91:
 - a) which are not given on lease, the depreciation is charged at the rates specified in Schedule XIV to the Companies Act, 1956
 - b) which are given on lease, the depreciation is charged at the rates specified in Schedule XIV to the Companies Act, 1956. In the case of financial Leases, Lease Equalisation method is followed as per the Guidance Note on accounting of leases issued by the Institute of Chartered Accountants of India.
6. Current Assets:
 - i) Stock on Hire is valued at agreement values less amount received, unrealised and unmatured finance charges and future taxes and insurance.
 - ii) Repossessed Stock is valued at cost.
7. Cost of borrowings are charged to revenue except interest not accounted as per Note A(3).
8. Employees Benefits:
 - (i) Liability is computed on the basis of actuarial valuation in respect of leave encashment as on the date of Balance Sheet as per Accounting Standard AS - 15 (revised).
 - (ii) The company has taken a policy from LIC of India to cover the liability towards gratuity arising in terms of payment of Gratuity Act 1972 and the premium paid to LIC of India is charged to Profit & Loss A/c. Provident Fund contribution made to the Govt. Provident Fund in accordance with the rules and the contribution is charged to revenue disclosure as per Accounting Standard AS - 15 (revised) is not followed in respect of these benefits.
 - iii) Bonus is provided in the books as per normal practice followed by the company.
9. Earning Per Share: The earning per share is computed by dividing the Profit (Loss) after tax for the period by the weighted average number of equity shares outstanding during the period.
10. Contingent Liabilities, if any, are disclosed by way of Notes on Accounts.



B. NOTES ON ACCOUNTS:

1. The salient features of the Scheme of Compromise and arrangement sanctioned by the High Court of Karnataka under sections 391 to 394 of the Companies Act, 1956 vide its order dated 8th October 2004 and filed with the Registrar of Companies, Karnataka on 15th December 2004, which is the effective date are as under:
 - a) No interest shall accrue or be payable on the bonds/deposits maturing on or after 1st April, 2002 and remaining unpaid/outstanding as on 31.3.2002.
 - b) Bonds/deposits matured prior to 31st March, 2002, and remaining unclaimed shall be repaid with interest upto the date of maturity and Bonds/deposits accepted/renewed in between 1st April, 2002 and 15th April, 2002 shall be repaid without any interest, on receipt of the claim from the holders thereof.
 - c) Any loans/advances granted to any bond/deposit holders shall be set off/adjusted against the deposits/ bonds and the outstanding debts payable by the Company shall be reduced accordingly.
 - d) All deposits and bonds of the face value of Rs.5,000/- and less shall be paid within six months from the date of order in one instalment with interest accrued upto 31st March, 2002.
 - e) Deposits/bondholders receiving interest at monthly/quarterly rests shall be paid the face value in 20 equal quarterly instalments.
 - f) Outstanding deposits/bonds other than those stated in para d & e above shall be paid as follows:
 - i) 15% of the face value on or before the expiry of 6th month of the Effective date
 - ii) 20% of the face value on or before the expiry of the 18th month of the Effective date
 - iii) 25% of the face value on or before the expiry of the 30th month of the Effective date
 - iv) 20% of the face value on or before the expiry of the 42nd month of the Effective date
 - v) Balance 20% of the face value and interest payable up to 31st March 2002 on or before the expiry of the 54th month of the Effective date against the surrender of the bond/deposit certificates.
 - g) For delay in payment of instalments interest shall be paid @ 6% p.a.
 - h) The Board of Directors shall constitute a Hardship Committee to consider hardship cases on the request made by deposit/bond holders and subject to availability of funds they shall be paid a maximum of 75% of the face value of the outstanding bond/deposit as on the appointed date according to the formula as may be laid down by the Committee.
 - i) Upon the Scheme becoming effective, all Trust Deeds executed between the Company and Trustees for Bond holders shall be and deemed to be cancelled.
 - j) Upon the Scheme becoming effective, the General Investment and Commercial Corporation Limited shall act as trustees for unpaid creditors in respect of outstanding bonds/deposits and such outstanding bonds/deposits shall be secured by first charge on company's financial assets, book debts and receivables.
 - k) The Company shall not carry on the business as a non-banking financial company without the prior permission of the RBI.
2. The Company has started repaying the deposits/bonds as per the terms of the Scheme sanctioned by the High Court of Karnataka by DD/multi-city cheques and the total reduction in the liabilities under items (b), (c), (d), (e), (f(i)), (g) and (h) of Note B(1) amounted to Rs.4,306.10 lakhs. Shortfall in repayment as per the Scheme upto 31.3.2008 amounted to Rs.5,501.50 lakhs.



3. Though the Company is incurring losses since 2001 and its funds are blocked in non-performing assets, it has prepared the accounts on going concern basis as it has started implementing the scheme sanctioned by the High Court of Karnataka and the management is of the view that the company will be able to recover the dues from most of the borrowers/ debtors and monitor effectively the deficit in operations.
4. As per the terms of the sanctioned scheme as the deposits/bonds maturing after 31.3.2002 are repayable in instalments (other than those stated in Note No.1(d) above) as stated in Note No.1(e) and (f), the contracted date of maturity got extended and hence the details of maturity dates of bonds are not shown.
5. Sundry Creditors include Rs.176.26 lakhs, being unencashed DD/multi-city cheques issued for repayment of deposits/bonds in terms of the Scheme.
6. The Company has not made the provisions as required under the RBI Prudential Norms after 1st April, 2000 as the Management is hopeful of recovery and is of the view that provisions already made in the books are sufficient to meet the loss. When compared to the previous year, there is reduction in total provisions at the end of the year as detailed below:
- | | | |
|---|-----|----------------------|
| a) Provision for Non-Performing Assets | ... | Rs.(-) 1155.43 lakhs |
| b) Provision for Diminution in the value of Investments | ... | Rs.(+) 200.00 lakhs |
| c) De-recognition of Income on Non-Performing Assets | ... | Rs.(-) 200.46 lakhs |
| Total short provision as on 31.3.2008 | ... | Rs. 86.18 crores |
7. Out of the total deposits matured and remaining unpaid for a period of seven years during the year ended 31st March, 2008 amounting to Rs.4,10,275/-, a sum of Rs.3,62,627/- was remitted before 31st March, 2008 to Investors' Education and Protection Fund as per section 205C and the balance amount of Rs.47,648/- was remitted on 24.4.08.
8. i) Land includes agricultural land of the book value of Rs.0.10 lakhs acquired in 1963 in satisfaction of debt. The Company has claimed compensation in respect of the said property. But as the compensation is not yet determined, the profit or loss is not adjusted in the accounts.
- ii) Buildings include Rs.109.14 lakhs (Previous Year Rs.109.14 lakhs) being the value of shares in Co-Operative Housing Societies.
9. Investments include (i) NSC of Rs.0.14 lakhs given as security for Sales Tax. (ii) 5,00,000 equity shares of Kurlon Limited pledged as security for ICD and Term Deposits with Banks include Rs.2.20 lakhs given as security for Bank Guarantee in favour of RTO and Sales Tax Authorities.
10. Loans and Advances and Sundry Debtors are subject to confirmation.
11. Current Assets, Loans and Advances:
- Loans and Advances & Sundry Debtors include
- a) Due from the Officers of the Company Rs.1.35 lakhs; Maximum balance at any time during the year Rs.1.81 lakhs.
- b) Dues from private limited companies in which director is interested Sundry debtors Rs.2.73 lakhs.
- c) Dues from subsidiaries Rs.3.97 lakhs.
12. In the opinion of the Board, the Current Assets and the Loans and Advances are of the value stated if realised in the ordinary course of business and the provision for all known liabilities is adequate.



13. Cumulative Preference Shares amounting to Rs.31.62 lakhs are not redeemed and no redemption reserve is created as the Company is incurring losses since 2001.

14. Remuneration paid to the Whole Time Director: (Rs. in lakhs)

	Current Year March 31, 2008	Previous Year March 31, 2007
i) Salary	1.58	1.58
ii) Contribution to Provident Fund	0.19	0.19
iii) Monetary value of other benefits	0.77	0.84

15. The difference between the face value of bonds/deposits and the amount paid in full and final settlement of the same as per Note B(1)(h) of the Scheme Rs.377.53 lakhs is transferred to Capital Reserve.

16. Liability in respect of leave encashments computed on the basis of actuarial valuation as per Accounting Standard AS - 15 (revised) Rs.7.55 lakhs. The company has taken a policy from LIC of India to cover the liability towards gratuity arising in terms of payment of Gratuity Act 1972 and the premium paid to LIC of India is charged to Profit & Loss A/c. Provident Fund contribution made to the Govt. Provident Fund in accordance with the rules and the contribution is charged to revenue disclosure as per Accounting Standard AS - 15 (revised) is not followed in respect of these benefits.

17. Contingent Liabilities:

i) Suits against the Company for damages not acknowledged as debt Rs.1.29 lakhs.

ii) No provision is made in the accounts for disputed Income-Tax Liability aggregating to Rs.468.97 lakhs for the Assessment years 1992-93 to 2001-02 as the appeals filed by the Company are pending disposal. The same has been adjusted by the Department towards Refund due.

iii) No provision is made in the accounts for the disputed sales tax liability amounting to Rs.17.54 lakhs for the Assessment Year 1995-96 to 1996-97 as the appeals filed by the Company are pending disposal.

iv) Arrears of Cumulative Fixed Dividend from 31.3.2001 to maturity date for redemption Rs.17.14 lakhs.

18. The corresponding figures for the previous year have been regrouped/rearranged wherever necessary.

19. Deferred Tax:

Deferred Tax Asset resulting from accumulated losses have not been accounted because of uncertainty of availability of sufficient future Taxable Income.



20. Related Party Disclosures:

The Company being a Finance Company, the transactions in the normal course of business have not been disclosed.

A. Related Party and Nature of Relationship:

Sl.No	Name of the Related Party	Nature of Relationship
1.	Maharashtra Apex Asset Management Co.Ltd.	Subsidiary
2.	Crimson Estates & Properties Pvt.Ltd.	Subsidiary
3.	El'Dorado Investments Pvt.Ltd.	Subsidiary
4.	Riviera Steels Pvt.Ltd.	Subsidiary
5.	El'Dorado Shares & Services Pvt.Ltd.	Fellow Subsidiary
6.	Dagny Investments Pvt.Ltd.	Fellow Subsidiary

B. Key Management Personnel:

1. Sri GA Rego
2. Mrs. Shanthi R Pai

C. Details of Significant Transactions are as follows:
(Excluding reimbursements)

(Rs. in lakhs)

Outstanding Balances as at 31.3.2008	Current Year March 31, 2008	Previous Year March 31, 2007
Due to Company - Subsidiary Company (100%)	3.97	4.13
Payable by Company - Subsidiary Company	379.37	312.87

21. Earning Per Share:

(Rs. in lakhs)

Description	Current Year March 31, 2008	Previous Year March 31, 2007
a) Net Profit/Loss available for Equity Shareholders (in lakhs) numerator used for calculation	1348.97	(251.57)
b) Weighted Average No. of Equity Shares used as denominator for calculation of Earning per Share	1,41,50,100	14,15,01,000
BASIC/DILUTED - EPS (Rs.)	9.53	(0.18)



22. The Company is primarily engaged in the single segment business of Financial activities and managed as one entity for its various activities. Therefore, there are no reportable segment in accordance with the AS-17 on segment reporting issued by the Institute of Chartered Accountants of India.
23. The Company does not carry on manufacturing activities. Hence paragraph 4C of Part-II of Schedule VI of the Companies Act, 1956 is not applicable.

GAREGO
Executive Director

K B SHETTY
Director

As per our attached
Report of even date,
or RAO & SWAMI
Chartered Accountants

SRGOWDA
Director

JM PANDEY
Company Secretary

PV SHENOY
Partner
Membership No. 020205

Manipal
August 18, 2008

Udupi
August 18, 2008



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details

Registration No.	1177	State Code	08
Balance Sheet Date	31.03.2008		

II. Capital raised during the year

Public Issue	NIL	Rights Issue	NIL
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Bonus Issue	NIL	Private Placement	NIL
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**III. Position of Mobilisation and
Deployment of Funds
(Amount in Rs. Thousands)**

Total Liabilities	1895953	Total Assets	1895953
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Sources of funds	Paid-up Capital	144270	Reserves and Surplus	NIL
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Application of Funds	Secured Loans	1751683	Unsecured loans	NIL
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Net Fixed Assets	57293	Investments	305014
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Net Current Assets	639882	Miscellaneous Expenditure	NIL
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Accumulated Loss	893764
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**IV. Performance of Company
(Amount in Rs. Thousands)**

Turnover	260398	Total Expenditure	101220
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+/- Profit/Loss Before Tax	165017	+/- Profit/Loss After Tax	134897
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Earning per share in Rs.	9.53	Dividend Rate %	NIL
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**V. Generic Name of Three Principal
Products/Services of Company
(as per monetary terms)**

Item Code No. (ITC Code)	NOT APPLICABLE
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Product/Service Description	The Company was in NBFC business which has been discontinued.
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**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN
SUBSIDIARY COMPANY**

	MAHARASHTR APEX ASSET MANAGEMENT COMPANY LTD.	CRIMSON ESTATE & PROPERTIES PVT.LTD.	EL'DORADO INVESTMENTS PVT.LTD.	RIVIERA STEELS PVT.LTD.
1. Name of the Subsidiary Company				
2. The Financial period of the Subsidiary Company ended on	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
3. Year from which they became Subsidiary Company	2003	2001	2001	1999
4. Number of Equity Shares held by MRAC Ltd. at the end of the financial year of the Subsidiary Company (Rs.)	50,25,100	17,99,950	7,60,000	1,00,000
5. Extent of interest of Holding Company at the end of the financial year of the subsidiary	99.99%	99.99%	76.00%	100.00%
6. The net aggregate amount of the Subsidiary Company Profit/(Loss) so far as concerns the members of the Holding Company:				
1. Not dealt with in the Holding Company's accounts:				
a) For the financial years ended 31st March, 2008 (Rs.)	77,941	(1,12,785)	88,445	(20,026)
b) For the previous financial years of the subsidiary Company since it became the Holding Company's Subsidiary	(1,74,40,836)	(20,49,369)	10,73,325	(26,116)
2. Dealt with in the Holding Company's accounts				
a) For the financial years ended 31st March, 2008	N.A.	N.A.	N.A.	N.A.
b) For the previous financial years of the subsidiary Company since it became the Holding Company's Subsidiary	N.A.	N.A.	N.A.	N.A.
7. Changes in the interest of Holding Company; between the end of the financial year of the subsidiary and 31st March, 2008				
a) Nos. of Shares	No	No	No	No
b) Extent of holding	N.A.	N.A.	N.A.	N.A.
8. Material Changes between the end of the financial year of the Subsidiary Company and the Company's Financial Statement ended 31st March, 2008				
a) Fixed Assets	N.A.	N.A.	N.A.	N.A.
b) Investments	N.A.	N.A.	N.A.	N.A.
c) Money Lent	N.A.	N.A.	N.A.	N.A.
d) Money borrowed other than those for meeting Current Liabilities	N.A.	N.A.	N.A.	N.A.

Manipal
August 18, 2008

GAREGO
Executive Director

KB SHETTY
Director

SRGOWDA
Director

JMPANDEY
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2008.

(Rs. in lakhs)

	Current Year March 31, 2008	Previous Year March 31, 2007
A. Cash Flow from Operating Activities :		
Profit after tax and extra ordinary items	1,348.97	(251.57)
Adjustments for:		
Provision for taxation	301.20	1.25
Lease equalisation	58.39	(209.98)
Depreciation	96.52	107.03
Interest paid	351.37	160.66
Investments income	(32.65)	(39.13)
Dividend received	(114.70)	(121.28)
Non-cash items	(1,716.71)	423.67
Operating Profit before working capital changes	<u>292.39</u>	<u>70.65</u>
Increase/(Decrease) in trade and other receivables	649.43	490.98
Increase/(Decrease) in inventories	509.99	461.45
Increase/(Decrease) in trade payables	127.08	3.18
Cash generated from operations	1,578.89	1,026.26
Interest paid	(5.79)	(0.49)
Direct taxes paid	(237.68)	(18.02)
Net cash from operating activities (a)	<u>1,335.42</u>	<u>1,007.75</u>
B. Cash Flow from investing activities :		
Purchase of fixed assets	(10.60)	(77.94)
Capital work in progress	0.00	0.00
Sale of fixed assets	2,551.04	14.18
Purchase of investments	(2,852.99)	0.00
Sale of investments	2,652.99	16.00
Interest received on investments	36.02	37.39
Dividend received	114.70	121.28
Net cash from investing activities (b)	<u>2,491.16</u>	<u>110.91</u>



CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2008. (Contd)
(Rs. in lakhs)

	Current Year March 31, 2008	Previous Year March 31, 2007
C. Cash Flow from financing activities :		
Proceeds from issue of share capital	0.00	0.00
(Decrease)/Increase in long term borrowings	(4,264.19)	(1,100.17)
Increase/(Decrease) in fixed deposits	0.00	0.00
Dividends paid for earlier year *	(0.72)	(0.01)
Share issue expenses	0.00	0.75
Capital reserves	377.53	187.18
Net Cash From Financing Activities (c)	(3,887.38)	(912.25)
Net increase in cash and cash equivalents [a]+[b]+[c]	(60.80)	206.41
Cash and cash equivalents at the beginning of the year	768.58	562.17
Cash and cash equivalents at the end of the year	707.78	768.58
Note: * Includes unclaimed dividend transferred to Investor Education and Protection Fund.		

Manipal
August 18, 2008

GAREGO
Executive Director

KB SHETTY
Director

SRGOWDA
Director

JM PANDEY
Company Secretary



SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY
(as required in terms of Paragraph 9BB of Non-banking Financial Companies Prudential Norms
(Reserve Bank) Directions, 1998)

(Rs. in lakhs)

Liabilities side:	Particulars	Amount Outstanding	Amount Overdues
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:			
(a) Debentures : Secured		17516.83	192.98
: Unsecured	
(other than falling within the meaning of public deposits*)			
(b) Deferred Credits	
(c) Term Loans	
(d) Inter-corporate loans and borrowing	
(e) Commercial Paper	
(f) Public Deposits*	
(g) Other Loans (specify nature)	
*Please see Note 1 below			
(2) Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):			
(a) In the form of Unsecured debentures	
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	
(c) Other public deposits	
*Please see Note 1 below			
Assets Side:			
			Amount outstanding
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:			
(a) Secured			644.94
(b) Unsecured			3662.96



(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:

(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial Lease	545.89
(b) Operating Lease	.....
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	2415.21
(b) Repossessed Assets	4.71
(iii) Hypothecation loans counting towards EL/HP activities:	
(a) Loans where assets have been repossessed	.....
(b) Loans other than above	.....

(5) Break-up Investments:

Current Investments:

1. Quoted:

(i) Shares : (a) Equity	.....
(b) Preference	.....
(ii) Debentures and Bonds	.....
(iii) Units of mutual funds	.....
(iv) Government Securities	.....
(v) Others (please specify)	.....

2. Unquoted:

(i) Shares : (a) Equity	.....
(b) Preference	.....
(ii) Debentures and Bonds	.....
(iii) Units of mutual funds	.....
(iv) Government Securities	.....
(v) Others (please specify)	.....

Long term investments:

1. Quoted:

(i) Shares : (a) Equity	18.97
(B) Preference	.....
(ii) Debentures and Bonds	.....
(iii) Units of mutual funds	8.44
(iv) Government Securities	16.98
(v) Others (please specify)	.....



2. Unquoted	(i) Shares : (a) Equity	1920.32
	(b) Preference	200.00
	(ii) Debentures and Bonds	7.50
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	877.94

(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:

Category	Amount net of provisions		
	Secured	Unsecured	Total
**			
1. Related Parties			
(a) Subsidiaries	.....	.....	.....
(b) Companies in the same group	.....	.....	.....
(c) Other related parties	.....	.....	.....
2. Other than related parties	85.28	754.85	840.13
Total	85.28	754.85	840.13

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Please see note 3 below

Category	Market Vale/Break up or Fair value or NAV	Book value (Net of provisions)
**		
1. Related Parties		
(a) Subsidiaries	877.94	341.71
(b) Companies in the same group,	.....	.....
(c) Other related parties	.....	.....
2. Other than related parties	2172.20	1807.53
Total	3015.14	2149.24

** As per Accounting Standard of ICAI
(Please see Note 3)



(8) Other information:

Particulars	Amount
(i) Gross Non-performing Assets	
(a) Related parties	.....
(b) Other than related parties	8465.35
(ii) Net Non-performing Assets	
(a) Related parties	.....
(b) Other than related parties	928.56
(iii) Assets acquired in satisfaction of debt	.....

Notes:

1. As defined in paragraph 2(1)(xii) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

Auditor's Report to the Board of Directors on the consolidated Financial Statements of Maha Rashtra Apex Corporation Ltd and its subsidiaries.

1. We have audited the attached consolidated Balance Sheet of Maha Rashtra Apex Corporation Ltd, (the company) and its subsidiaries as at 31st March 2008 and also the Consolidated Profit and Loss Account and also The Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted an audit in accordance with the 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 test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles 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.
3. We did not audit the financial statements of subsidiaries whose financial statements reflect total assets (net) of Rs.107.12 lakhs as at 31st March 2008, the total revenue of Rs.22.72 lakhs and net cash flows amounting to Rs.0.39 lakhs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to amounts included in respect of the subsidiaries, is based on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard AS 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
5. The company has prepared its accounts on going concern basis despite the erosion of its entire net worth, as the liabilities of the company have been restructured by the scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka (refer note No.B(2) of schedule M).
6. The company has not made provisions after 1st April 2000 as required under Prudential Norms of RBI as the management is of the view that it will be able to monitor effectively the deficit in operation but we are unable to comment on the ultimate realisability of company's assets.
7. The company has valued the liability in respect of leave encashment as per a actuarial valuation as per AS-15 (Revised). The gratuity and EPF Contribution are debited to Profit and Loss Account. The disclosure as required under AS-15 (Revised) is not followed.
8. Further to our comments in para 5 and 6 above, we report that on the basis of the information and explanations given to us and on the consideration of the separate audit report on the individual audited financial statements of the subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of consolidated balance sheet, of the state of affairs of the company and its subsidiaries as at 31st March 2008;
 - ii) in the case of consolidated Profit and Loss account, of the profit for the year ended on that date; and
 - iii) in the case of consolidated Cash Flow Statement, of the Cash flows for the year ended on that date.

for RAO & SWAMI,
Chartered Accountants

PV SHENOY
Partner
Membership No.020205

UDUPI
August 18, 2008



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2008

Rs. in lakhs

	Schedule	CURRENT YEAR 31.03.2008	PREVIOUS YEAR 31.03.2007
SOURCES OF FUNDS:			
Share Capital	A	1442.70	1442.70
Secured Loans	C	17516.83	21781.02
Minority interest		0.34	200.42
Deferred Tax Liability		0.00	0.28
TOTAL.		18959.87	23424.42
APPLICATION OF FUNDS:			
Fixed Assets:			
Gross Block	D	3036.70	3796.58
Less: Depreciation		1922.11	1951.20
		1114.59	1845.38
Less: Lease Equalisation		505.27	612.45
Net Block		609.32	1232.93
Investments	E	2267.46	2263.51
Current Assets and Loans and Advances			
Current Assets	F	4961.90	5948.62
Loans and Advances	G	5452.13	5879.97
		10414.03	11828.59
Less: Current Liabilities & Provisions	H	3376.04	2671.94
Net Current Assets		7037.99	9156.65
Miscellaneous Expenditure		0.00	0.47
Profit & Loss a/c		10737.02	12085.26
Less: Reserves	B	(1691.92)	(1314.40)
		9045.10	10770.86
TOTAL		18959.87	23424.42

For Notes on Accounts - Schedule M

G A REGO
Executive Director

S R GOWDA
Director

K B SHETTY
Director

J M PANDEY
Company Secretary

As per our attached
Report of even date,
for RAO & SWAMI
Chartered Accountants

P V Shenoy
Partner
Membership No. 020205

Manipal
August 18, 2008

Udupi
August 18, 2008



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH, 2008

	Schedule	Rs. in lakhs	
		CURRENT YEAR 31.03.2008	PREVIOUS YEAR 31.03.2007
INCOME :			
Income from Operations	I	181.99	214.22
Other Income	J	2444.71	309.09
TOTAL		2626.70	523.31
EXPENSES:			
interest	K	351.37	160.66
Administrative Expenses	L	588.85	833.94
Depreciation		98.59	109.22
TOTAL		1038.81	1103.82
PROFIT/LOSS for the year		1587.89	(580.51)
Add/less:Lease Equalisation		58.39	209.98
		1646.28	(370.53)
Provision for Current Tax		(300.58)	(1.03)
Provision for FBT		(1.21)	(1.25)
Provision for diminution in value of investments		3.88	(59.44)
Deferred tax Liability		0.28	0.04
Less: Prior period Expenses		(0.49)	0.00
TOTAL PROFIT/LOSS after tax		1348.16	(432.21)
Less: Minority interest in Net Profit/(Net Loss)		0.08	0.05
Add:Balance of Loss from previous year		(12085.26)	(11653.10)
Balance carried to Balance Sheet		(10737.02)	(12085.26)

For Notes on Accounts - Schedule M

G A REGO
Executive Director

S R GOWDA
Director

K B SHETTY
Director

J M PANDEY
Company Secretary

Manipal
August 18, 2008

As per our attached
Report of even date,
for RAO & SWAMI
Chartered Accountants

P V Shenoy
Partner
Membership No.020205

Udupi
August 18, 2008



SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2008
(Contd.)

Rs. in lakhs

	CURRENT YEAR 31.03.2008	PREVIOUS YEAR 31.03.2007
SCHEDULE A: SHARE CAPITAL		
Authorised :		
20000000-Equity shares of Re.10/- each	2000.00	2000.00
20000000 Redeemable cumulative preference shares of Rs. 10 each	2000.00	2000.00
(P.Y 200000000 Equity Shares of Rs. 1/- each and 20000000 Redeemable cumulate preference shares of Rs. 10/- each)	<u>4000.00</u>	<u>4000.00</u>
Issued:		
14150100 Equity shares of Re.10/- each	1415.01	1415.01
1763500 17.5%Redeemable cumulative preference shares of Rs. 10 each	176.35	176.35
6236500 14%Redeemable cumulative preference shares of Rs. 10 each	623.65	623.65
	<u>2215.01</u>	<u>2215.01</u>
Subscribed and paid up:		
a) 14150100 Equity shares of Re.10/- each, fully called up	1415.01	1415.01
(P.Y 141501000 Equity Shares of Rs. 1/- each fully called up)		
less:calls unpaid	3.93	3.93
(Dues from Directors -nil-)	<u>1411.08</u>	<u>1411.08</u>
Of the above:		
1) 11667 Equity shares of Rs.10/- each were allotted as fully paid pursuant to terms of amalgamation without payment received in cash		
2) 400000 Equity shares of Re.10/- each allotted as fully paid bonus shares on capitalisation of reserves.		
3) 408240 Equity shares of Rs.10/- each allotted as fully paid bonus shares on capitalisation of share premium Account		
316200 14%Redeemable cumulative preference shares of Rs.10/- each	31.62	31.62
TOTAL	<u>1442.70</u>	<u>1442.70</u>
SCHEDULE B: RESERVES AND SURPLUS		
a) Capital Reserve	677.10	299.58
b) Capital Redemption Reserve	176.35	176.35
c) Share Premium	997.48	997.48
d) General Reserve	226.52	226.52
e) Special Reserve	159.52	159.52
Less: Goodwill	(545.05)	(545.05)
TOTAL	<u>1691.92</u>	<u>1314.40</u>



SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2008 (Contd.)
Rs. in lakhs

	CURRENT YEAR 31.03.2008	PREVIOUS YEAR 31.03.2007
From others Unpaid Creditors being outstanding Bonds and Deposits maturing after 31.03.2002 and Inter Corporate Deposit (Secured by first charge of Co's financial assets, book debts and pledge of shares)	17516.83	21781.02

SCHEDULE D: FIXED ASSETS

Rs. in lakhs

	Gross Block (at cost)			Depreciation					Net Block	
	As on 01.04.07	Addition	Deletion	As on 31.03.08	Upto 31.03.07	For the Year	On Assets Sold	Upto 31.03.08	As on 31.03.08	As on 31.03.07
COMPANY ASSETS										
Land	226.54	0.00	189.20	37.34	0.00	0.00	0.00	0.00	37.34	226.54
Buildings	1067.53	4.31	463.86	607.98	223.45	13.46	59.98	176.93	431.05	844.08
Office Furniture and Equipment	564.53	2.21	8.03	558.71	453.73	16.22	5.77	464.18	94.53	110.80
Library books	5.34	0.00	5.34	0.00	4.33	0.14	4.47	0.00	0.00	1.01
Motor Car and other Vehicles	13.04	4.08	3.94	13.18	9.49	0.98	3.06	7.41	5.77	3.55
Computer and Accessories	1.29	0.00	1.29	0.00	1.28	0.01	1.29	0.00	0.00	0.01
TOTAL	1878.27	10.60	671.66	1217.21	692.28	30.81	74.57	648.52	568.69	1185.99
ASSETS ON LEASE										
Plant and Machinery	1877.66	0.00	98.82	1778.84	1225.07	66.44	53.11	1238.40	540.44	652.60
Motor Vehicles	15.67	0.00	0.00	15.67	15.66	0.00	0.00	15.66	0.01	0.01
Gas Cylinder	3.20	0.00	0.00	3.20	3.20	0.00	0.00	3.20	0.00	0.00
Furniture	21.78	0.00	0.00	21.78	14.99	1.34	0.00	16.33	5.45	6.78
TOTAL	1918.31	0.00	98.82	1819.49	1258.92	67.78	53.11	1273.59	545.90	659.39
GRAND TOTAL	3796.58	10.60	770.48	3036.70	1951.20	98.59	127.68	1922.11	1114.59	1845.38

SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2008 (Contd.)
Rs. in lakhs

	CURRENT YEAR 31.03.2008	PREVIOUS YEAR 31.03.2007
SCHEDULE E: INVESTMENTS		
Long term: at cost		
a) Government securities		
6 year NSC at cost	0.14	0.14
b) Trustee securities		
1518 6.75% Tax Free US 64 Bonds of Rs.100/- each	1.51	1.51
83800 units of UTI- masterplus-91, of Rs. 10 each	14.41	14.41
6500 units of UTI- mastershare, of Rs. 10 each	0.92	0.92
c) Other Investments:		
1) Quoted Equity Shares		
20000 Voltas Ltd. shares of Re. 1/- each	2.92	2.92
2200 Tata Power Co. Ltd. shares of Rs.10 each	2.62	2.62



SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2008
(Contd.)

	Rs. in lakhs	
	CURRENT YEAR 31.03.2008	PREVIOUS YEAR 31.03.2007
16000 ICDS Ltd shares of Rs. 10 each	6.59	6.59
56000 Centurian Bank of Punjab Ltd. shares of Rs. 10/- each	6.84	0.00
25000 Parekh Platinum Ltd. shares of Rs. 10/- each	24.06	24.06
10000 India Cements Capital and Finance Ltd. shares of Rs. 10/- each	1.50	1.50
2)Unquoted Debentures		
750 Jay Rapid Roller Ltd. Debentures of Rs.1000 each	7.50	7.50
3)Unquoted Equity Shares		
3000 GICC Ltd. shares of Rs. 10 each	0.30	0.30
2000 Shamrao Vittal Co-op.Bank Ltd.- shares of Rs.25 each	0.50	0.50
36368 Rajmahal Hotels Ltd. shares of Rs. 10 each	0.76	0.76
58436 Mangala Investments Ltd. shares of Rs. 10 each	1.50	1.50
40000 Lord Krishna Bank Ltd. shares of Rs. 10 each	0.00	6.84
352000 Manipal Motors Pvt.Ltd. shares of Rs. 10 each	35.28	35.28
600000 Manipal Home Finance Ltd. shares of Rs. 10 each	60.40	60.40
65990 Manipal Springs Ltd. shares of Rs. 100 each	66.32	66.32
4000 MPL Finance and Leasing Ltd. shares of Rs. 10 each	1.65	1.65
116102 Manipal E'Commerce Ltd. shares of Rs. 10/- each	11.61	11.61
56928040 Kurlon Ltd. shares of Re.1/- each	1714.44	1714.44
171400 Premier Consolidated Capital Trust shares of Rs. 10/- each	25.05	25.05
Investment in immovable Property, Land & Building Partnership Firm	191.94	191.94
4900 Brookly Hills shares of Rs. 10/- each	4.26	4.26
750000 Manipal Automobiles Pvt.Ltd. shares of Rs. 10/- each	0.98	0.49
d)Mutual Funds		
54001.28 F T India - Balanced Fund (Growth) of Rs. 10/- each @ Rs.15.62 each	8.44	5.00
(Total market value of shares,debentures,trusty securities and mutual funds - Rs. 155.50 lakhs)		
TOTAL	2267.46	2263.51
SCHEDULE F: CURRENT ASSETS		
Considered good		
Interest accrued on Investments	0.79	4.15
Unsecured and Considered good		
Commission and rent receivable		
Due for more than 6 months	651.05	725.19
Others	2.61	1.38
Sundry Debtors		
Due for more than 6 months	985.86	1348.82
Others	53.15	10.99
Motor vehicles/machineries given on Hp contract	2415.21	2919.88



SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2008
(Contd.)

	Rs. in lakhs	
	CURRENT YEAR 31.03.2008	PREVIOUS YEAR 31.03.2007
Repossessed Vehicle at cost	4.71	9.97
Stock of Decered Assets	131.95	150.48
Inventories	0.08	0.08
Stock of Stationery on hand at cost	0.99	0.99
Stamps in hand	0.21	0.17
Cash in hand	9.26	8.59
With scheduled bank in OD/ C/A	63.70	74.22
With scheduled bank in deposit A/c	642.33	693.71
TOTAL	<u>4961.90</u>	<u>5948.62</u>
SCHEDULE-G: LOANS AND ADVANCES		
A)Secured		
Demand loan	559.54	804.86
Bills discounted	85.40	118.70
B)Unsecured		
Bills discounted	285.47	306.83
Advances for which the Company holds no other security than Debtors Personal Security	3377.49	3703.87
Other Deposit	81.15	233.25
Advance recoverable in cash or kind	215.33	102.55
Advance income-tax and TDS(less provision)	843.80	607.31
Advance FBT	3.95	2.60
TOTAL	<u>5452.13</u>	<u>5879.97</u>
SCHEDULE-H : CURRENT LIABILITIES AND PROVISIONS		
A) Current Liabilities		
Sundry Creditors	307.22	180.29
Matured Deposits with interest	192.98	234.89
Unclaimed deposits-investor	0.48	0.41
Unclaimed dividends	0.00	0.72
Delayed Period Interest	505.75	160.17
Unclaimed Preference shares	0.00	2.86
Collection and other account	505.60	523.85
Interest accrued but not due		0.00
Liabilities for expenses	20.55	22.95



SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2008
(Contd.) Rs. in lakhs

	CURRENT YEAR 31.03.2008	PREVIOUS YEAR 31.03.2007
SCHEDULE-H : CURRENT LIABILITIES AND PROVISIONS (contd.)		
B)Provisions		
For NPA	1262.28	1262.28
For Reduction in value of Investments	271.11	274.99
Taxation provision	306.47	8.53
Provision for FBT	3.60	0.00
TOTAL	<u><u>3376.04</u></u>	<u><u>2671.94</u></u>
SCHEDULE I: INCOME FROM OPERATION		
Hire Purchase Charges	133.56	154.30
Interest on Investments	32.65	39.13
Lodging Business	4.55	4.80
Income from Recovery of Dececd Assets	11.23	15.99
TOTAL	<u><u>181.99</u></u>	<u><u>214.22</u></u>
SCHEDULE J: OTHER INCOME		
Miscellaneous Receipts	0.49	8.89
Service Charges	3.98	17.02
Income from House Property	27.49	28.06
Dividend Income		
- Long Term:		
- Others	114.70	121.31
Bad Debts Recovered	91.60	73.38
Profit on sale of assets/investments	2077.52	14.36
Interest Remission	117.43	39.52
Rent Receipt	11.50	6.55
TOTAL	<u><u>2444.71</u></u>	<u><u>309.09</u></u>
SCHEDULE K: INTEREST EXPENDITURE		
Others	351.37	160.66
TOTAL	<u><u>351.37</u></u>	<u><u>160.66</u></u>

SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2008
 (Contd.) Rs. in lakhs

	CURRENT YEAR 31.03.2008	PREVIOUS YEAR 31.03.2007
SCHEDULE L: ADMINISTRATION AND OTHER EXPENSES		
Advertisement Charges	0.88	11.76
Bad Debts	370.38	470.98
Bank Charges	0.79	3.55
Commission	18.59	13.31
Compensation Charges paid	1.20	1.20
Computer and other Service Charges	11.57	16.47
Contribution to Provident and other Funds	7.08	7.41
Debenture Issue Expenses	0.00	0.75
Electricity Charges	5.13	5.22
Filing Fees	1.51	1.51
Fire and other Insurance Premium	0.70	0.50
General Charges	15.50	20.04
Gratuity	2.15	1.86
Loss on Sale of Investments	0.00	113.13
Loss on Sale of Fixed Assets	0.85	0.00
Newspapers, Books and Periodicals	0.24	0.29
Office Maintenance	0.00	2.80
Other Repairs	0.40	3.00
Postage and Telephone Charges	12.00	10.19
Printing and Stationery	2.65	2.27
Professional and Legal Expenses	22.42	19.59
Directors Sitting Fee -SNC Meeting	1.45	0.00
Recovery expenses on Decead Assets	1.94	0.95
Reimbursement of Recovery Expenses	1.62	3.51
Remuneration to Auditors		
Audit Fees	2.44	2.43
Certification Charges	0.25	0.25
Out of Pocket Expenses	0.40	0.42
Rental Expenditure	11.75	8.09
Repairs to Buildings	4.78	8.29
Salary and Bonus	66.32	70.76
Sales Tax	0.00	5.49
Share Issue Expenses	0.47	0.23
Staff Welfare Expenses	4.93	5.51
Stamp duty paid	0.01	0.01
Taxes and License	4.28	7.14
Travelling Expenses	9.86	9.44
Vehicle Maintenance	4.31	5.59
TOTAL	588.85	833.94



SCHEDULE - M: ACCOUNTING POLICY AND NOTES FORMING PART OF THE ACCOUNTS FOR THE 12 MONTHS PERIOD ENDED 31ST MARCH, 2008:

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Consolidated Financial Statements:

a) The Subsidiary Companies considered in consolidation are:

Name of the Company	Country of Incorporation	Extent of holding and voting powers on 31.03.2008
EL'DORADO INVESTMENTS CO. PVT.LTD.	India	76.00%
MAHARASHTRA APEX ASSET MANAGEMENT CO.LTD.	India	99.99%
RIVIERA STEELS PVT.LTD.	India	100.00%
CRIMSON ESTATE & PROPERTIES PVT.LTD.	India	99.99%

b) The following Fellow Subsidiary Companies have also been considered:

Name of the Company	Extent of holding by EL DORADO INVESTMENTS CO. PVT.LTD on 31.03.2008
EL'DORADO SHARE SERVICES PVT. LTD	89.98%
DAGNY INVESTMENTS PVT. LTD	99.82%

c) The Financial Statements of Maharashtra Apex Corporation Ltd, its subsidiaries and fellow subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent Co., i.e., year ended 31st March, 2008.

2. Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-Company balances and transactions have been fully eliminated.

3. Accounting and Income recognition:

a) The financial statements are prepared under the historic cost convention in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956.

b) The income from Bank Deposits and Government Securities are accounted on accrual basis.



- c) Dividend on shares, Interest on Debentures, income from Non-Performing Assets and Overdue Compensation, Income from suit filed accounts and Miscellaneous Income are accounted as and when received.
4. Fixed Assets are stated at original cost less depreciation after taking into consideration the lease adjustment account wherever necessary.
5. All expenses are accounted on accrual basis except interest for the year on deposits/bonds which are calculated upto 31.3.2002 as per the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka.
6. Investments are long-term investments and are valued at cost. The management is of the opinion that the diminution in the value are temporary and the provision already made to recognize the decline is sufficient (Refer Note No.B.3)
7. Depreciation is charged at the rates and in the manner specified in the Schedule XIV to the Companies Act, 1956.
8. Current Assets
 - i) Stock on hire is valued at agreement values less amount received, unrealized, unmatured finance charges and future taxes and insurance.
 - ii) Repossessed Stock is valued at cost.
9. Cost of borrowings is charged to revenue except interest not accounted as per Note A(5).
10. Retirement Benefits: Contributions are made to the recognized Provident Fund in accordance with the rules. The Company's liability in respect of gratuity is covered by the Group Gratuity Policy of LIC of India.
11. Earning Per Share: The EPS is computed by dividing the Profit after tax for the period by the weighted average number of equity shares outstanding during the period.
12. Contingent liabilities, if any, are disclosed by way of Notes on accounts.

B. NOTES TO ACCOUNTS

1. As per the Scheme of Compromise and Arrangement of the holding company sanctioned by the High Court of Karnataka under section 391 to 394 of the Companies Act, 1956 vide its order dated 08.10.2004 and filed with the Registrar of Companies, Karnataka on 15.12.2004, which is the effective date, the holding company:
 - a) has not carried on any business of non-banking financial company during the year except recoveries of advances done in earlier years and repayment of liabilities.
 - b) has started repaying the deposits/bonds as per the terms of the Scheme and the total reduction in liability during the year amounted to Rs.4306.10 lakhs.
2. Though the holding company is incurring losses since 2001 and its substantial funds are blocked in non-performing assets, the accounts have been prepared on going concern basis, as it has started implementing the scheme sanctioned by the High Court of Karnataka and the management is of the view that the company will be able to recover its dues from most of the borrowers/debtors and monitor effectively the deficit in operations.



3. The holding company has not made the provisions as required under the RBI prudential norms after 1st April, 2000 since the management is hopeful of recovery and is of the view that the provisions already made in the books are sufficient to meet the loss. When compared to the previous year, there is reduction in total provisions at the end of the year as detailed below:

	(Rs. in lakh)
a) Provision for non-performing assets	(1155.43)
b) Provision for diminution in the value of investments	200.00
c) De-recognition of Income on Non-Performing Assets	(200.46)
Total short provision as on 31.03.2007	Rs.86.18 crore

4. Current assets, Loans & Advances and Sundry Debtors include:

- i. Due from officers of the holding Company Rs.1.35 lakh.
- ii. Dues from Private Limited Companies in which Directors are interested - Sundry Debtors of Rs.2.73 lakh.

5. In the books of the holding company, the difference between the face value of bonds/deposits and the amount paid in full and final settlement of the same under hardship as per the Scheme Rs.377.53 lakh is transferred to capital reserve.

6. Contingent Liabilities:

- i) Suits against the holding company for damages not acknowledged as debt Rs.1.29 lakh.
- ii) No provision is made in the accounts for disputed income-tax liability aggregating to Rs.468.97 lakh for the assessment years 1992-93 to 2001-02 as the appeals filed by the Company are pending disposal. The same has been adjusted by the Department towards refund due.
- iii) No provision is made in the accounts for the disputed sales tax liability amounting to Rs.17.54 lakh for the Assessment Year 1994-95 to 1996-97 as the appeal filed by the Company is pending disposal.
- iv) Arrears of Cumulative Fixed Dividend from 31.03.2001 to maturity date for redemption Rs.17.14 lakh.

7. Deferred Tax

The holding company has not accounted Deferred Tax Asset resulting from accumulated losses and excess depreciation claimed in Income-tax, because of uncertainty of availability of sufficient future taxable income. Deferred tax liability represent that of the Subsidiaries.

8. Related Party Disclosures

Key Management Personnel:

Smt Shanthi R Pai
Sri G A Rego



9. Earning Per Share

(Rs.in lakh)

Description	March 31, 2008	March 31, 2007
a) Net profit/loss available for equity shareholders (in lakh) numerator used for calculation	1348.18	(432.21)
b) Weighted Average no. of Equity Shares used as denominator for calculation of Earning per Share	(Nos.) 1,41,50,100	(Nos.) 14,15,01,000
Basic/ Diluted- EPS	9.53	(0.30)

10. Figures for the previous year have been regrouped and rearranged wherever Necessary.

G A REGO
Executive Director

K B SHETTY
Director

As per our attached
Report of even date,
or RAO & SWAMI
Chartered Accountants

S R GOWDA
Director

J M PANDEY
Company Secretary

P V SHENOY
Partner
Membership No.020205

Manipal
August 18, 2008

Udupi
August 18, 2008



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2008.

(Rs. in Lakhs)

	Current Year 31.03.2008	Previous Year 31.03.2007
A. Cash Flow from Operating Activities:		
Profit after tax and extraordinary items	1348.16	(432.21)
Adjustments for:		
Provision for taxation	301.79	2.28
Provision for dimunition in value of investments	(3.88)	59.44
Lease Equalisation	(58.39)	(209.98)
Depreciation	98.59	109.22
Interest paid	351.37	160.66
Investments Income	(32.65)	(39.13)
Interest Remission	(117.43)	0.00
Dividend Received	(114.70)	(121.31)
Non Cash items	0.00	553.47
Profit on sale of Fixed Assets	(2077.52)	0.00
Loss on sale of Fixed Assets	0.85	0.00
Share issue expenses debited to P/L A/c	0.47	0.00
Operating Profit before Working Capital changes	(303.13)	82.44
(Increase)/Decrease in Trade & Other Receivables	1353.37	999.06
Increase/ (Decrease) in Trade Payables	704.10	(57.28)
Cash generated from Operations	1754.34	1024.22
Interest paid	(0.00)	(0.49)
Direct tax Paid	(237.84)	(20.17)
Net Cash from operating activities	1,516.50	1003.56
B. Cash Flow from Investing Activities:		
Purchase of Fixed assets	(10.60)	(77.94)
Sale of Fixed assets	2550.44	14.17
Purchase of Investments	(0.47)	0.00
Sale Of Investments	0.00	17.34
Interest received on Investments	36.01	37.39
Dividend received	114.70	121.31
Net Cash from Investing Activities	2690.08	112.27
C. Cash Flow from Financing Activities:		
Proceeds from issue of Share Capital		
(Decrease)/Increase in Long Term Borrowings	(4,264.19)	(1,100.17)
Dividends Paid for earlier year*	(0.72)	(0.01)
Share issue expenses	0.00	0.75
Capital reserves	0.00	187.18
Unclaimed Preference Shares Paid off	(2.86)	0.00
Net Cash from Financing Activities	(4267.77)	(912.25)
Net Increase in Cash and Cash Equivalents [A+B+C]	(61.19)	(203.58)
Cash and Cash Equivalents at the Beginning of the year	776.69	573.11
Cash and Cash Equivalents at the end of the year	715.50	776.69
Note: *Includes Unclaimed Dividend Transferred to Investor education and protection fund		

Manipal
August 18, 2008

G A REGO
Executive Director

K B SHETTY
Director

S R GOWDA
Director

J M PANDEY
Company Secretary

Maharashtra Apex Asset Management Company Limited



DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors take pleasure in presenting the 13th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL PERFORMANCE

A brief report of the performance of the Company is detailed here below:

(Amount in Rupees)

Particulars	Year Ended 31-03-2008
Total Income	11,61,044
Profit/(Loss) before Depreciation, Tax & Provisions	(3,22,609)
Provision for Depreciation	14,412
Provision for fringe benefit/Tax	(1,028)
Provision for Diminution in the value of Investments	3,87,600
Current Deferred Tax credit	28,388
Profit/(Loss) after Tax	77,941

DIVIDEND

Your Directors do not recommend any dividend in order to conserve the resources.

PERSONNEL

None of the employees of the Company is in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE

As your Company is not engaged in manufacturing activities, there is no information to submit in respect of the above.

AUDITORS

M/s. Vasudev Pai & Co., Chartered Accountants, Auditors of the Company hold office till the conclusion of the forth coming Annual General Meeting and are eligible for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- appropriate accounting policies have been selected 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 as on 31st March, 2008 and of the profit of the Company for the year ended as on that date.
- proper and sufficient care has been taken 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.
- the Annual Accounts have been prepared on a going concern basis.

By Order of the Board,

Place: Bangalore
Date: 3.7.2008

CHAIRMAN

VASUDEV PAI & CO.,
Chartered Accountants,
S-401, Manipal Centre, 47, Dickenson Road, Bangalore 560042

AUDITOR'S REPORT

To the Members of
Maharashtra Apex Asset Management Limited

We have audited the attached Balance Sheet of Maharashtra Apex Asset Management Limited as at 31st March 2008 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

- As required by the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order to the extent applicable to the Company during the year.
- Further to our comments in the Annexure referred to above, we report that:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;
 - The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - On the basis of the written representations received from the Directors as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and the Notes on Accounts in Schedule 'I', 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:
 - in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2008; And
 - in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

for VASUDEV PAI & CO.
Chartered Accountants

T. VASUDEV PAI
Proprietor

Place: Bangalore
Dated: 03.07.2008

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 1 of our Report of even date

- The Company has maintained records showing certain particulars of fixed assets.
 - During the year, the management has not physically verified the fixed assets. In the absence of physical verification of fixed assets, the discrepancies between the physical stock of fixed assets and the book records have not been arrived at.
 - During the year, the Company has disposed of its fixed assets, which would not affect the going concern concept of the Company.
- In our opinion, the Company has maintained proper records showing the details of stock of decree debts, which have been reflected under the head Current Assets. The Company does not have any other inventory, hence clauses (a) to (c) are not applicable.
- The Company has not granted secured or unsecured loans to Companies, Firms or Other Parties covered under Section 301 of the Companies Act 1956, except interest free advance to its Holding Company. The balance outstanding as receivable as at 31st March 2008 and the maximum balance outstanding during the year are Rs. 194.95 lakhs and Rs. 194.95 lakhs respectively (PY: Rs. 178.41 lakhs and Rs. 178.41 lakhs).
 - The terms and conditions of such advances are not, in our opinion, prima facie, prejudicial to the interest of the Company.
 - There is no stipulation in respect of repayment of the above-referred advance.
 - The Company has not taken secured or unsecured loan from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

Maharashtra Apex Asset Management Company Limited



BALANCE SHEET AS-AT 31.03.2008

DESCRIPTION	SCH	AS AT 31.03.2008 (Amount in Rupees)	AS AT 31.03.2007 (Amount in Rupees)
SOURCE OF FUNDS			
a) The transactions that needed to be entered into the register have been so entered.	a) Share Capital	50258000	50258000
b) The Company has not accepted deposits from the public within the meaning of Section 56A and 58AA of the Companies Act, 1956 and Rules framed there under.	b) Reserve & Surplus i) General Reserve	1471275	1471275
c) The internal audit functions have been carried out during the year by the staff of the Holding Company appointed by the management, which has been commensurate with the size of the Company and nature of its business.	c) Deferred Tax Liability (Net)		28388
d) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 for any of the products of the Company.		<u>51729275</u>	<u>51757663</u>
APPLICATION OF FUNDS			
e) The Company has been generally regular in depositing undisputed statutory dues including Income-tax and other statutory dues to the extent applicable to it with the appropriate authorities during the year and there were no arrears under the above head which were due for a period of more than six months from the date they became payable as at the close of the year.	a) Fixed Assets i) Gross Block ii) Depreciation		678040 (575230)
f) Keeping in view the present operations of the Company, the statutes relating to Sales Tax, Provident Fund, Employees State Insurance, Wealth-Tax, Customs Duty, Excise Duty, Service Tax and Cess are not applicable to the Company.	b) Investments	1527920	1140320
g) There are no dues on account of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and other statutory dues as at 31.03.08, which have not been deposited on account of any dispute.	c) Current Assets	13405907	15251202
	d) Loans & Advances	19502784	17872852
		<u>32908690</u>	<u>33124054</u>
	e) Current Liabilities & Provisions	(70231)	(50297)
NET CURRENT ASSETS			
	g) Profit & Loss Account (Debit Balance)	17362896	17440838
		<u>51729275</u>	<u>51757663</u>
SIGNIFICANT ACCOUNTING POLICIES NOTES TO THE ACCOUNTS			
	I		

10. The Company has accumulated losses at the end of the current financial year, which is less than 50 percent of its net worth. However the Company has incurred cash losses during the current financial year and also in the immediately preceding financial year.			
11. The Company has not borrowed any amounts from banks, financial institutions or from debenture holders during the year under Audit.			
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.			
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.			
14. The Company has maintained proper records of transactions and contracts in respect of dealing in securities and other investments and timely entries have been made therein. All shares and other investments have been held by the Company in its own name.			
15. The Company has not given guarantee for loans taken by others from Banks and financial institutions.			
16. The Company has not availed any Term loan during the year. Therefore the provisions of clause 4 (xvi) of the Companies (Auditor Report) Order 2003 as amended are not applicable to the company.			

For and on behalf of Board of Directors
date

As per our report of even
date
For VASUDEV PAI & CO
Chartered Accountant

Director

Director

(Vasudeva Pai)
Proprietor

PLACE: Bangalore.
DATE : 03.07.2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

DESCRIPTION	SCH	AS AT 31.03.2008 (Amount in Rupees)	AS AT 31.03.2007 (Amount in Rupees)
INCOME			
a) The Company has not raised any funds on short-term basis that have been used for long-term investment.	a) Income from Recovery of Decried Assets	1123086	1599172
b) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.	b) Custodian Charges received	24872	18572
c) The Company has not raised any monies by way of public issue during the year.	c) Interest received on Bank Deposits (TDS Ra. 274/-, PY: 3874/-)	12093	17259
d) The Company has not raised any monies by way of debenture issue during the year.	d) Interest received on IT refunds	993	0
		<u>1161044</u>	<u>1635003</u>
EXPENDITURE			
e) There were no frauds on or by the Company which have been noticed or reported during the year that causes the financial statements to be materially misstated.	a) Administrative Expenses	555245	548415
	b) Loss on sale of Investments	0	11313000
	c) Bad Debts written-off	928408	1671152
	d) Depreciation	14412	16818
		<u>1498065</u>	<u>13549385</u>

Place : Bangalore
Dated: 03.07.2008

T. VASUDEV PAI
Proprietor

Maharashtra Apex Asset Management Company Limited



Profit before Tax / (Loss)	(337021)	(11914382)		
Less: Fringe Benefit Tax	(1026)	0		
Add: Provision for Diminution in the value of Investments	387600	(3603280)		
	49553	(15517662)		
Add: Current Deferred Tax Credit	28388	3896		
Profit after Tax / (Loss)	77941	(15513786)		
Add/ (Less) : Balance b/f from previous year	(17440836)	(1927070)		
	<u>(17362896)</u>	<u>(17440836)</u>		

SCHEDULE - F

LOANS & ADVANCES

a) Advance Recoverable from Holding Company	19494688	17841436
b) Advance Recoverable in cash or in kind	1481	16546
c) Advance Tax & TDS	6615	14870
	<u>19502784</u>	<u>17872852</u>

SCHEDULES AS AT 31.03.2008

For and on behalf of Board of Directors As per our report of even date For VASUDEV PAI & CO., Chartered Accountants,

Director Director

T VASUDEV PAI Proprietor

Place : Bangalore
Dated : 03.07.2008

SCHEDULES AS AT 31.03.2008

DESCRIPTION	AS AT 31.03.2008 (Amount in Rupees)	AS AT 31.03.2007 (Amount in Rupees)
-------------	--	--

SCHEDULE - G

CURRENT LIABILITIES & PROVISIONS

A CURRENT LIABILITIES :-

a) Liability for Expenses	70231	49708
b) Other Liabilities		589
	<u>70231</u>	<u>50297</u>

SCHEDULE - H

ADMINISTRATIVE EXPENSES

a) Book Keeping charges	6000	6000
b) Bank charges	1858	391
c) Computer Maintenance	17155	18056
d) Filing Fees paid	11169	6018
e) Debt recovery expenses	4852	5863
f) Deceased Assets Recovery Expenses	194405	94927
g) Office Expenses	14356	12485
h) Printing & Stationeries	10858	14056
i) Rental Expenditures	24000	24000
j) Reimbursement of Recovery Expenses	157418	350849
k) Telephone charges reimbursed	9524	
l) Travelling expenses reimbursed	4852	
m) Loss on sale of Fixed Assets	85338	
n) Auditors Remuneration		
o) Audit Fees	10000	11224
p) Out of Pocket Expenses	3460	4576
	<u>13460</u>	<u>15800</u>
	<u>555245</u>	<u>548415</u>

DESCRIPTION	AS AT 31.03.2008 (Amount in Rupees)	AS AT 31.03.2007 (Amount in Rupees)
SCHEDULE - A		
SHARE CAPITAL		
a) Authorised Share Capital 55,00,000 Equity Shares of Rs. 10/- each	55000000	55000000
b) Issued, Subscribed & Paid-up Capital 50,25,800 Equity Shares of Rs. 10/- each*	50258000	50258000
(* out of the above, 50,25,100 Equity Shares are held by the Holding Company)	<u>50258000</u>	<u>50258000</u>
SCHEDULE - B		
RESERVES & SURPLUS		
a) General Reserve	1471275	1471275
	<u>1471275</u>	<u>1471275</u>

SCHEDULES AS AT 31.03.2008

DESCRIPTION	AS AT 31.03.2008 (Amount in Rupees)	AS AT 31.03.2007 (Amount in Rupees)
SCHEDULE - D		
INVESTMENTS		
a) Unquoted (at cost)		
i) 32000 Equity Shares of Rs. 100/- each of Manipal Springs Pvt.Ltd.	3216000	3216000
ii) 152000 Equity Shares of Rs. 10/- each of Manipal Motors Pvt.Ltd.	1527600	1527600
	<u>4743600</u>	<u>4743600</u>
Less: Provision for Diminution in value of Investments.	(4743600)	(4743600)
	<u>(3215680)</u>	<u>(3603280)</u>
	<u>1527920</u>	<u>1140320</u>
SCHEDULE - E		
CURRENT ASSETS		
a) Stock of Deceased Assets	13195475	15047985
b) Sundry Debtors		
i) Mangala Investments Ltd.	134000	134000
c) Cash in hand	3000	
d) Cash with schedule Bank		
e) In Current Accounts	73432	69217
	<u>13405907</u>	<u>15251202</u>

Maharashtra Apex Asset Management Company Limited



**SCHEDULE - C
FIXED ASSETS:**

Sl. No.	DESCRIPTION	GROSS BLOCK		DEPRECIATION		NET BLOCK	
		COST AS AT 01.04.2007 Rs.	DELETIONS AS AT 31.03.2008 Rs.	For the Year Rs.	DELETIONS/ Adjustments Rs.	AS AT 31.03.2007 Rs.	AS AT 31.03.2008 Rs.
1	COMPUTERS	129000	0	138	128793	345	
2	OFFICE EQUIPMENTS	8500	0	191	7320	1370	
3	FURNITURE & FIXTURES	7080	0	128	6420	708	
4	LIBRARY BOOKS	533540	0	13955	447168	100327	
		678040	0	14412	589702	0	102750

SCHEDULE - I:

NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT AND BALANCE SHEET AS AT 31ST MARCH 2008:

1. SIGNIFICANT ACCOUNTING POLICIES:

- System of Accounting:**
The accounts are prepared under the historical cost convention and also in accordance with the accounting standard issued by the Institute of Chartered Accountants of India and the Provisions of the Companies Act, 1956 as adopted consistently by the Company on the basis of a going concern.
- Recognition of Income and Expenditures:**
All items of income and expenditure having a material bearing on the financial statements are recognised on accrual basis. However dividend is accounted on receipt basis.
- Investments:**
All Investments are long term in nature and carried at cost. Provision for diminution in the value of long term investment is made only if such decline is other than temporary in the opinion of the management.
- Fixed Assets:**
Fixed Assets are stated at cost less accumulated depreciation.
- Depreciation:**
Depreciation on Fixed Assets has been provided on Written Down Value method at the rates and in the manner prescribed in the Schedule XIV of the Companies Act, 1956.
- Provision for FBT, Income Tax and Deferred Tax:**
Provision for FBT & Income Tax is made after taking into consideration benefits admissible under the provisions of the Fringe Benefit Tax and Income Tax Act 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

- In the opinion of the Board, current assets, loans and advances are of the value stated, and realisable in the ordinary course of business. Provisions have been made for all known liabilities and are adequate.

3. Contingent Liability - Nil

4. Related Party Disclosure.

Related Party	Relationship	Nature of Transaction	2007-08 Dr./ (cr.) Rs	2006-07 Dr./ (cr/) Rs
MRAC Ltd.	Holding Company	Reimbursement of Recovery expenses (net)	418548	501634
		Unsecured Advances Recoverable *	19494687	17841436

* Outstanding as of 31st March 2008

All the above are transacted in the normal course of business.

- The Deferred tax during the year for timing difference is accounted using tax rates/laws that have been enacted, the net difference arising thereon credited to Profit & Loss Account.

Details of Deferred Tax - Assets & Liabilities:

Particulars	Deferred Tax (Assets)/ Liability as at 01-04-2007 Rs.	Current Year Charge/(Credit) Rs.	Deferred Tax (Assets)/ Liability as at 31-03-2008 Rs.
Difference Between The Book & Tax:			
Depreciation	28,388/-	28,388/-	Nil

- There are no separate reportable segments as per Accounting Standard on Segment Reporting (AS 17)

Maharashtra Apex Asset Management Company Limited

Crimson Estates & Properties Pvt. Ltd.



7. Basic and Diluted Earning per Share:

Earning per Share is calculated by dividing the profit attributable to the equity shareholders by the number of equity shares as under:

	2007-08 (Rs.)	2006-07 (Rs.)
Net Profit/(Loss) after Tax	77941	(15513766)
Add(-)/Less(-) Prior Year Adjustments	Nil	Nil
Net Profit/(Loss) attributable to Equity Share Holders	77941	(15513766)
Number of Equity Shares used as Denominator for calculating Basic EPS	5025800	5025800
Basic Earning Per Share of Rs. 10/- each	0.02	(3.08)

8. Considering the current status of investments, adequate provision has been made for the diminution in the value of investments.
9. The Company has not made any provision for Taxation, as there are no taxable income or book profit as defined under Section 115 JB of the Income Tax Act.
10. Figures for previous year have been regrouped/ rearranged, wherever necessary.

For and on behalf of Board of Directors : As per our report of even date
For VASUDEV PAI & CO.,
Chartered Accountants,

Director : Director : T VASUDEV PAI
Proprietor

Place : Bangalore
Date : 03.07.2008

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS:

Registration No. : 16881
State Code : 08
Balance Sheet date : 31.03.2008

2. CAPITAL RAISED DURING THE YEAR:

Public Issue : Nil
Rights Issue : Nil
Bonus Issue : Nil
Private Placement : Nil
Further Issue : Nil

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:

(Rs. in lakhs)
Total Liabilities : 517.29
Total Assets : 517.29
Sources of Funds:
Paid-up Capital : 502.58
Reserves & Surplus : 14.71

Application of funds:
Net Fixed Assets : -
Investments : 15.28
Net Current Assets : 328.38
Accumulated Losses : 173.63

4. PERFORMANCE OF COMPANY:

Turnover : 11.61
Total Expenditure : 14.98
Profit/(loss) before Tax : (3.37)
Profit/(loss) after Tax : 0.78
Earning per Share (Rs.) : 0.02
Dividend Rate : -

5. Generic names of three principal products/ services of Company : Not applicable

For and on behalf of Board of Directors

DIRECTOR
Place: Bangalore
Date: 03.07.2008

DIRECTOR

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting herewith the Twenty First Annual Report together with the Audited Accounts of the Company for the year ended on 31st March 2008.

WORKING

During the year under review, your Company posted a net loss of Rs. 1.13 lacs (PY: Rs. 24.55 lacs) after meeting necessary expenditure and provision for taxation. Your Directors continue their efforts to improve the working of the Company.

DIVIDEND

In view of loss during the year, your Directors regret their inability to recommend any dividend for the year under review.

DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:

In compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000, in the Companies Act, 1956, your directors confirm that,

- That in the preparation of the accounts for the financial year ended 31st March 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 Loss of the Company for the year under review;
- 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 Directors have prepared the accounts for the financial year ended 31st March 2008 on a 'going concern' basis.

SECRETARIAL COMPLIANCE CERTIFICATE:

In terms of Section 383(A) of the Companies Act, 1956, the Company has obtained a Secretarial Compliance Report from a Practicing whole time Company Secretary and same is enclosed.

DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has no activities relating to conservation of energy or technology absorption. There were no foreign exchange earnings or outgo during the year under consideration.

PARTICULARS OF EMPLOYEES:

The Company had no employees of the category mentioned in Section 217(2A) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988.

AUDITORS:

M/s. VASUDEV PAI & CO., Chartered Accountants, Auditors of the Company hold office till the conclusion of forth coming Annual General Meeting and are eligible for reappointment.

On Behalf of the Board of Directors

Chairman

Place : Mumbai
DATED : 30.06.2008

VASUDEV PAI & CO.,
CHARTERED ACCOUNTANTS
S-401, Manipal Centre, Dickenson Road, Bangalore 560 042

AUDITOR'S REPORT

To The Members of Crimson Estate and Properties Pvt. Ltd.

We have audited the attached Balance Sheet of CRIMSON ESTATE AND PROPERTY PRIVATE LIMITED as at 31st March 2008 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Crimson Estates & Properties Pvt. Ltd.



We have conducted our audit in accordance with the 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the Directors as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2008 from being appointed as a Director in terms of 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 explanations given to us, the said accounts, read together with the Significant Accounting Policies and the Notes on Accounts in Schedule '10', give the information required by the Companies Act, 1956 in the manner so required 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 2008; And
 - (ii) In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

for VASUDEV PAI & CO.,
Chartered Accountant

T. VASUDEV PAI
Proprietor

Place: Mumbai
Dated: 30.06.2008

ANNEXURE TO THE AUDITOR'S REPORT Referred to in paragraph 1 of our Report of even date

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset.
- (b) Fixed asset has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed asset.
- (c) During the year, the Company has not disposed of any part of fixed asset, which would affect the going concern of the Company.
2. (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory as compared to book records.
3. (a) The Company has granted interest free unsecured loan to Director covered in the Register maintained under Section 301 of the Companies Act, 1956 and the balance outstanding at the end of the year is Rs. 5 lakhs (PY: Rs. 5 lakhs). The maximum balance outstanding is Rs. 5 lakhs (PY: Rs. 5 lakhs).

(b) There is no stipulation in respect of repayment of principal amount of the above advance.

(c) In the absence of the repayment terms and conditions, we are unable to form an opinion about its recoverability.

(a) The Company has taken interest free unsecured advance from Holding Company listed in the Register maintained under Section 301 of the Companies Act, 1956 and the balance outstanding as payable to the Holding Company as at 31st March 2008 is Rs. 3.97 lakhs (PY: Rs. 3.73 lakhs). The maximum balance outstanding during the year is Rs. 3.97 lakhs.

(b) The terms and conditions of such advance are not, in our opinion, prima facie, prejudicial to the interest of the Company.

(c) There is no stipulation in respect of repayment of principal amount of the above advance.

In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief:

a) The transactions that needed to be entered into the register have been so entered.

In our opinion, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of fixed assets and for the sale of goods and services. During the course of Audit we have not observed any major weakness in internal controls.

The Company has not accepted any deposits from the public and consequently the provisions of Section 58A & 58AA of the Companies Act, 1956 and rules framed there under and directions issued by the Reserve Bank of India are not applicable.

The internal audit functions have been carried out during the year by the staff of the Holding Company appointed by the management, which has been commensurate with the size of the Company and nature of its business.

According to the information and explanations given to us Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.

i) The Company has been regular in depositing undisputed statutory dues including Income-Tax dues with the appropriate authorities and there were no arrears under the above head which were due for more than six months from the date they became payable as at the close of the year.

ii) Keeping in view the present operations of the Company the statutes relating to FBT, Sales Tax, Provident Fund, Employees State Insurance, Wealth-Tax, Customs Duty, Excise Duty, Investors Education and Protection Fund and Cess are not applicable to the Company.

iii) There are no dues of Sales Tax, Income Tax, FBT, Customs Duty, Wealth Tax, Service Tax and Cess have been disputed and lying pending as at the close of the year.

11. The Company does not have accumulated losses exceeding 50% of its net worth as at the end of the year and has incurred cash losses during the current financial year and also in the immediately preceding financial year.

12. In our opinion and according to the explanations given to us the Company has not borrowed any amounts from banks, financial institutions or from debentures holders during the year under Audit.

13. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

14. In our opinion the Company is not a Chit Fund, Nidhi or Mutual Benefit Fund/Society. Therefore Clause 4(xiii) of the Companies (Auditors Report) Order 2003 is not applicable to the Company.

15. During the year the Company has not dealt or traded in shares, securities, debentures and other investments. Therefore the provisions of Clause 4(xiv) of the Companies (Auditors Report) Order 2003 as amended are not applicable to the Company.

16. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any banks or financial institutions.

17. In our opinion and according to information and explanations given to us, the Company has not availed any term loan during the year accordingly Clause 4(xvi) of the Companies (Auditors Report) Order 2003 is not applicable.

18. According to the information and explanations given to us, during the year no funds have been raised on short-term basis, which have been used for any long-term investment.

19. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

20. The Company has not issued any debentures and hence no securities required to be created in respect thereof.

Crimson Estates & Properties Pvt. Ltd.



21. The Company has not raised any money through a public issue during the year.
 22. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for VASUDEV PAI & CO.,
Chartered Accountant

T. VASUDEV PAI
Proprietor

Place: Mumbai
Dated: 30.06.2008

of investments		(2340400)
Provision for Taxation		(48000)
Profit after Tax	(112785)	(2454929)
Income Tax of earlier years	(9)	
Balance brought forward from previous year	(2049369)	405560
Profit/Loss Carried forward to Balance Sheet	(2162163)	(2049369)

Significant Accounting Policies & 10
Notes on Accounts

For and on behalf of Board of Directors

As per our report of even date for VASUDEV PAI & CO.,
Chartered Accountant

BALANCE SHEET AS AT 31ST MARCH 2008

DESCRIPTION	SCH	AS AT 31.03.2008	AS AT 31.03.2007
SOURCE OF FUND:			
a) Share Holders' Funds:			
Share Capital	1	18000000	18000000
b) Reserves & Surplus:			
Profit & Loss Account		18000000	18000000
APPLICATION OF FUNDS			
a) Fixed Assets	2		
Gross Block		1812937	1812937
Less: Depreciation		(1194023)	(1161449)
Net Block		618914	651488
b) Investments	3	4110970	4110970
c) Current Assets, Loans & Advances:			
Inventories	4	7800	7800
Sundry Debtors	5	9330834	9330834
Cash & Bank Balance	6	159258	139949
Loans & Advances	7	2707921	2707457
		12205813	12186040
Less:			
Current Liabilities & Provisions:	8		
Current Liabilities		(797861)	(673867)
Provisions		(300000)	(324000)
Net Current Assets		11107953	11188173
d) Profit & Loss Account		2162163	2049369
		18000000	18000000
Significant Accounting Policies & Notes to the Accounts	10		

For and on behalf of Board of Directors

As per our report of even date for VASUDEV PAI & CO.,
Chartered Accountant

Director Director

(T VASUDEV PAI)
Proprietor

PLACE: Mumbai
DATE: 30.06.2008

Director Director
(T VASUDEV PAI)
Proprietor

PLACE: Mumbai
DATE: 30.06.2008

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31ST MARCH 2008

SCH	DESCRIPTION	AS AT 31.03.08 Rs.	AS AT 31.03.07 Rs.
	1 SHARE CAPITAL		
	Authorised		
	20,00,000 equity shares of Rs. 10/- each	20000000	20000000
	Issued, Subscribed and Paid-up:		
	18,00,000 equity shares of Rs. 10/- each fully paid-up	18000000	18000000
	(of the above 1799950 Eq. Shares are held by the holding Company)		
		18000000	18000000
	(C) Investments in immovable property Land & Building	545120	545120
		6451370	6451370
	Less: Provision for Diminution in value of Investments	(2340400)	(2340400)
		4110970	4110970
	Market value of Quoted Investments	215850	215850
	4 INVENTORIES:		
	(As taken valued and certified by the Management at lower of cost or market value)	7800	7800
	5 SUNDRY DEBTORS (Considered Good) More than Six months	9330834	9330834
	6 CASH AND BANK BALANCES:		
	Cash on hand	96389	96389
	Balance with Scheduled Bank in Current Account	62869	43560
		159258	139949
	7 LOANS AND ADVANCES:		
	(Unsecured, Considered good)		
	Advance to Director	500000	500000
	Advance recoverable in cash or in kind or for value to be received	539301	514828
	Deposits with others	1091100	1091100
	Advance Tax & TDS	577520	601528
		2707921	2707457
	8 CURRENT LIABILITIES & PROVISIONS		
	Current Liabilities:		
	Sundry Creditors	78049	1249
	Other Liabilities	276990	276990
	Advance from Holding Company	397382	372908
	Creditors for Expenses	45440	22720
		797861	673867
	Provisions:		
	Provision for taxation	300000	324000
		300000	324000
	9 ADMINISTRATIVE, FINANCIAL & OTHER EXPENSES		
	Secretarial Charges	8500	0
	Professional Fees	12811	11509
	Auditors Remuneration	13720	13850
	Maintenance Charges	24159	244952
	Accounting charges	9000	9800
	Office Expenses	4565	1233
	Property Tax paid	8181	10908
		80936	291552

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

DESCRIPTION	SCH	31.03.2008 (Rupees)	31.03.2007 (Rupees)
INCOME			
a) Rental Income (TDS: NIL, PY: Rs. 57620/-)			256774
b) Misc. income		725	2538
c) Misc. Income			
c) Closing Stock		7800	7800
		8525	267112
EXPENDITURE			
a) Opening Stock		7800	7800
b) Administrative expenses	9	80936	291552
c) Depreciation		32574	34289
		121310	333641
Profit before Tax		(112785)	(66529)
Provision for diminution in value			

Crimson Estates & Properties Pvt. Ltd.



NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008.

Schedule - 10

A) Significant Accounting Policies:

a) Accounting Concepts:

The accounts are prepared under the historical cost convention and also in accordance with the accounting standard issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the Company on the basis of a going concern.

b) Recognition of Income and Expenditure

- All items of income and expenditure have a material bearing on the financial statements are recognised on accrual basis.
- Dividend income is accounted on receipt basis.

c) Investments:

Investments are stated at cost. Provision for diminution in the value of long-term investment is made only, if such decline is other than temporary in the opinion of the Management.

d) Fixed Assets:

Fixed Assets are capitalized at cost inclusive of legal and / or installation expenses.

e) Depreciation:

Depreciation is provided under the "Written Down Value Method" at rates provided by Schedule XIV to the Companies Act, 1956.

f) Stock-in-Trade:

Shares, Debentures & Securities are valued at lower of the cost or market value.

g) Provision for FBT, Income Tax and Deferred Tax

Provision for FBT & Income tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The Deferred tax asset is recognised and carried forward only if it is significant.

B. NOTES ON ACCOUNTS:

1. In the opinion of the Board, the Current Assets, Loans and Advances are realisable in the ordinary course of business. The provisions for all known liabilities have been made and are adequate.

2. Quantitative information in pursuance of Part II of Schedule VI of the Companies Act, 1956.

	31.03.08		31.03.07	
	Qty.	Amount Rs.	Qty.	Amount Rs.
Opening Stock				
Equity Shares-quoted	1088	7800	638	7800
Purchases				
Equity Shares-quoted			437**	
Closing Stock				
Equity Shares-quoted	1088	7800	1088	7800

* As taken valued and certified by the Management at lower of cost or market value.
** Represents Bonus shares.

3. Related party disclosure:

Related Party	Relationship	Nature of transaction	Outstanding as at 31.03.08 Rs.
MRACL Pranav Sanghvi	Holding Company Director	Other liabilities Advance Recoverable	397381/- (Cr.) 500000/- (Dr.)

4. Basic Earning per Share:

Earning per Share is calculated by dividing the profit attributable to the equity shareholders by number of equity shares as under:

	2007-08 (Rs.)	2006-07 (Rs.)
Net Profit/(Loss) after Tax	(112785)	(2454929)
Add(+)/Less(-) Prior Year Adjustments	(9)	Nil
Net Profit/(Loss) attributable to Equity Share Holders	(112794)	(2454929)
Number of Equity Shares used as Denominator for calculating Basic EPS	1800000	1800000
Basic Earning Per Share of Rs. 10/- each	(0.06)	(1.36)

- There is no Deferred Tax Liability on timing difference as at 31.03.08. Deferred Tax Assets subject to consideration of prudence are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.
- The requirement of Accounting Standard 17 on Segment Reporting is not applicable to the Company for the year ended 31st March 2008.
- The Company has not made any provision for Taxation, as there is no taxable income or book profit as defined under Section 115 JB of the Income Tax Act.
- The Company has not made any provision for Fringe Benefit Tax, as there are no taxable expenses as per the provisions of said Act.
- The figures of previous year have been suitably regrouped and/or rearranged wherever necessary.

for and on behalf of the Board

As per our report of even date for VASUDEVAI & CO., Chartered Accountants,

Director Director

T. VASUDEVAI
Proprietor

Place : Mumbai
Dated : 30.06.2008

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS:

Registration No.	42955
State Code	11
Balance Sheet date	31.03.2008

2. CAPITAL RAISED DURING THE YEAR:

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
Further Issue	Nil

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:

	(Rs. in lakhs)
Total Liabilities	180.00
Total Assets	180.00
Sources of Funds:	
Paid-up Capital	180.00
Reserves & Surplus	

Application of funds:	
Net Fixed Assets	6.19
Investments	41.11
Net Current Assets	111.08
Profit & Loss Account	21.62

4. PERFORMANCE OF COMPANY:

Turnover	0.08
Total Expenditure	1.21
Profit/(loss) before Tax	(1.13)
Profit/(loss) after Tax	(1.13)
Earning per Share (Rs.)	(0.06)
Dividend Rate	

- Generic names of three principal products/services of Company Not applicable

For and on behalf of Board of Directors

DIRECTOR
Place: Mumbai

DIRECTOR

E1 Dorado Investments Company Pvt. Ltd.



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting herewith the Twenty Second Annual Report together with the Audited Accounts of the Company for the year ended on 31st March 2008.

WORKING

Your Directors are to report that during the year, the operation of the Company results in a Net Profit of Rs. 0.88 lakhs after provision for taxation of Rs. 0.58 lakhs (PY: Loss- Rs. 0.06 lakhs). Your Directors continue their efforts to improve the working of the Company.

DIVIDEND

Your Directors do not recommend any dividend in order to conserve the resources.

DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:

In compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000, in the Companies Act, 1956, your directors confirm that:

- That in the preparation of the accounts for the financial year ended 31st March 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- 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 Directors have prepared the accounts for the financial year ended 31st March 2008 on a 'going concern' basis.

SECRETARIAL COMPLIANCE CERTIFICATE:

In terms of Section 383(A) of the companies Act, 1956, the Company has obtained a Secretarial Compliance Report from a Practicing whole time Company Secretary and it is enclosed.

DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has no activities relating to conservation of energy or technology absorption. There were no foreign exchange earnings or outgo during the year under consideration.

PARTICULARS OF EMPLOYEES: The Company had no employees of the category mentioned in Section 217(2A) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988.

AUDITORS:

M/s. VASUDEV PAI & CO., Chartered Accountants, Auditors of the Company hold office till the conclusion of forth coming Annual General Meeting and are eligible for reappointment.

On Behalf of the Board of Directors

Chairman

Place : Mumbai
DATED : 04.07.2008

AUDITOR'S REPORT

To The Members of E1 Dorado Investments Co. Pvt. Ltd.

We have audited the attached Balance Sheet of E1 DORADO INVESTMENTS CO. PVT. LTD. as at 31st March 2008 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

- As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report)(Amendment) Order 2004 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
- Further to our comments in the Annexure referred to above, we report that:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;
 - The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - On the basis of the written representations received from the Directors as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and the Notes on Accounts as detailed in Schedule 10, give the information required by the Companies Act, 1956 in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:
 - In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2008; And
 - In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

for VASUDEV PAI & CO.,
Chartered Accountant

T. VASUDEV PAI
Proprietor

Place : Mumbai
Dated: 04.07.2008

ANNEXURE TO THE AUDITOR'S REPORT Referred to in paragraph 1 of our Report of even date:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets.
 - During the year, the Company has not disposed off any part of its fixed assets, which would affect the going concern of the Company.
- The Company does not have any inventory at the end of the year, hence Clauses ii (a) to ii (c) are not applicable.
 - The Company has not granted secured or unsecured loans to Companies, Firms or Other Parties covered under Section 301 of the Companies Act 1956, except interest free unsecured advance to its Holding Company and Subsidiary Company and the balance outstanding as receivable as at 31st March 2008 and the maximum balance outstanding during the year are Rs. 86.93 lakhs and Rs. 21.92 lakhs respectively (PY: Rs. 86.93 lakhs and Rs. 21.70 lakhs).
 - The terms and conditions of such advances are not, in our opinion, prima facie, prejudicial to the interest of the Company.
 - There is no stipulation in respect of repayment of the above-referred advances.
- The Company has not taken secured or unsecured loans from Companies, Firms or Other Parties covered under Section 301 of the Companies Act 1956, except interest free unsecured advance from its Subsidiary Company and the balance outstanding as payable as at 31st March 2008 is Rs. 0.45 lakhs (PY: Rs. 0.53 lakhs) and the maximum balance outstanding during the year is Rs. 0.63 lakhs (PY: Rs. 1.14 lakhs).
 - The terms and conditions of such advances are not, in our opinion, prima facie, prejudicial to the interest of the Company.
 - There is no stipulation in respect of repayment of the above-referred advances.

In our opinion, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of fixed assets and for the sale of goods and services. During the course of Audit we have not observed any major weakness in internal controls.

The transactions that needed to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered.

A) The transactions that needed to be entered into the register have been so entered.

E'l Dorado Investments Company Pvt. Ltd.



7. The Company has not accepted any deposits from the public and consequently the provisions of Section 58A & 58AA of the Companies Act, 1956 and rules framed there under and directions issued by the Reserve Bank of India are not applicable.

8. The Internal audit functions have been carried out during the year by the staff of the Holding Company appointed by the management, which has been commensurate with the size of the Company and nature of its business.

9. To the best of our knowledge and according to the information and explanations given to us Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.

10. i) The Company has been regular in depositing undisputed statutory dues including Income-Tax, Fringe Benefit Tax dues with the appropriate authorities and there were no arrears under the above head which were due for more than six months from the date they became payable as at the close of the year.

ii) Keeping in view the present operations of the Company the statutes relating to Sales Tax, Provident Fund, Employees State Insurance, Wealth-Tax, Customs Duty, Excise Duty, Investors Education and Protection Fund and Cess are not applicable to the Company.

iii) According to the information and explanations given to us, except for the cases stated below and forums where such disputes are pending, there are no other disputed amounts payable in respect Income Tax, FBT and other statutory dues which were outstanding at the close of the year.

Name of the Statute	Asst. Year	Forum where dispute is pending	Amount (Rs.)
Income Tax Act, 1961	1994-95	CIT Appeals-II, Mumbai	21,51,098
Wealth Tax Act, 1957	1997-98	CIT Appeals-II, Mumbai	1,84,145
Income Tax Act, 1961	2003-04	CIT Appeals-II, Mumbai	54,144
Income Tax Act, 1961	2003-04	CIT Appeals-II, Mumbai	11,833

BALANCE SHEET AS AT 31ST MARCH 2008

DESCRIPTION	SCH	AS AT 31.03.2008 (Amount in Rupees)	AS AT 31.03.2007 (Amount in Rupees)
SOURCE OF FUND:			
A) Share Capital	1	30020000	30020000
b) Reserves & Surplus	2	10950029	10861583
		<u>40970029</u>	<u>40881583</u>
APPLICATION OF FUNDS			
a) Fixed Assets	3		
Gross Block		9910530	9910530
Less: Depreciation		(6878032)	(6718427)
Net Block		3032498	3192103
b) Investments	4	6545053	6496053
c) Current Assets, Loans & Advances:			
Cash & Bank Balance	5	396334	455222
Loans & Advances	6	31700577	31490442
		32096911	31945655
Current Liabilities & Provisions:			
Liabilities	7	(357063)	(462868)
Provisions	8	(347370)	(289370)
Net Current Assets Significant Accounting Policies & Not 10		31392478	31193427
		<u>40970029</u>	<u>40881583</u>

11. The Company does not have accumulated losses at 31st March 2008 and has not incurred cash losses during the current financial year and also in the immediately preceding financial year.

12. In our opinion and according to the explanations given to us the Company has not borrowed any amounts from banks, financial institutions or from debenture holders during the year under Audit.

13. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

14. In our opinion the Company is not a Chit Fund, Nidhi or Mutual Benefit Fund/Society. Therefore Clause 4(xiii) of the Companies (Auditors Report) Order 2003 is not applicable to the Company.

15. During the year, the Company has not dealt or traded in shares, securities, debentures and other investments. Therefore the provisions of Clause 4(xiv) of the Companies (Auditors Report) Order 2003 as amended are not applicable to the Company.

16. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any banks or financial institutions.

17. In our opinion and according to information and explanations given to us, the Company has not availed any term loan during the year accordingly Clause 4(xvi) of the Companies (Auditors Report) Order 2003 is not applicable.

18. According to the information and explanations given to us, during the year no funds have been raised on short-term basis, which have been utilized for any long-term investment purpose.

19. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

20. The Company has not issued any debentures and hence no securities required to be created in respect thereof.

21. The Company has not raised any money through a public issue during the year.

22. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year

For and on behalf of Board of Director

As per our report of even date
VASUDEV PAI & CO.,
Chartered Accountant

Director Director

T. VASUDEV PAI
Proprietor

PLACE: Mumbai
DATE : 04.07.2008

Profit & Loss Account for the year ended 31.03.2008

DESCRIPTION	SCH	AS AT 31.03.2008 (Amount in Rupees)	AS AT 31.03.2007 (Amount in Rupees)
INCOME			
a) Compensation Charges received (TDS: NIL, PY Rs.81710/-)		634,188	660,000
b) Rent Receipts (TDS: Rs. 48240/-, PY: 65557/-)		388,200	397,703
c) Miscellaneous Income		176	156
d) Professional receipts (TDS: Rs. 9270/-, PY: NIL)		90,000	
e) Interest receipts (TDS: NIL, PY: 22199/-)			98,696
		<u>1,112,564</u>	<u>1,156,555</u>
EXPENDITURE			
a) Administrative expenses	9	806,513	939,229
b) Depreciation		159,605	168,005
		<u>966,119</u>	<u>1,107,304</u>
Profit/(Loss) before tax		146,445	49,251
Provision for Taxation		-58000	-55000
Profit after tax		88,445	-5,749
Balance brought forward from previous year		1,073,325	1,079,074
Profit/(Loss) Carried forward to Balance Sheet		<u>1,161,771</u>	<u>1,073,325</u>
Significant Accounting Policies & Notes on Accounts	10		

for VASUDEV PAI & CO.,
Chartered Accountant

For and on behalf of Board of Director

As per our report of even date
VASUDEV PAI & CO.,
Chartered Accountant

T. VASUDEV PAI
Proprietor

Director Director

T. VASUDEV PAI
Proprietor

Place: Mumbai
Date: 04.07.2008

PLACE: Mumbai
DATE : 04.07.2008

E'l Dorado Investments Company Pvt. Ltd.



Schedule - 3

FIXED ASSETS:

Description	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	As on 1-Apr-07	As on 31-Mar-08	As on 1-Apr-07	For the year	As on 31-Mar-08	As on 31-Mar-08	As on 31-Mar-07
Office Premises	9910530	9910530	6718427	159605	6878032	3032498	3192103
	9910530	9910530	6718427	159605	6878032	3032498	3192103

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31ST MARCH 2008

	31.03.08	31.03.08
	Rs.	Rs.
1 SHARE CAPITAL		
Authorised		
10,00,000 equity shares of Rs.10/- each	10,00,000	10,00,000
3,05,000 13.5% Redeemable Cumulative Preference Shares of Rs.100/- each	30,50,000	30,50,000
	<u>40,50,000</u>	<u>40,50,000</u>
Issued, Subscribed and Paid-up:		
10,00,000 equity shares of Rs.10/- each fully paid-up. (of the above 760000 Eq.Shares are held by the holding Company)	10,00,000	10,00,000
2,00,200 13.5% Redeemable Non Cumulative Preference Shares 'B' of Rs.100/- each fully paid-up	20,02,000	20,02,000
	<u>30,02,000</u>	<u>30,02,000</u>
2 RESERVE AND SURPLUS:		
Capital Redemption Reserve Account	9,788,258	9,788,258
Profit & Loss Account	1,161,771	1,073,325
	<u>10,950,029</u>	<u>10,861,583</u>
4 INVESTMENTS: (Non Trade)		
(Long term at cost)		
Shares: (Unquoted)		
Brooklyn Hills & Properties Pvt. Ltd.	480	0
Premier Consolidated Capital Trust (I) Ltd	76,400	76,400
Subsidiary Companies:		
EL Dorado Shares Services Pvt. Ltd.	89,980	89980
Dagry Investments Pvt. Ltd.	170,000	170,000
Immovable Property		1,915,248
Partnership Firm:		
Think & Grow Rich Co.		426,205
		<u>6,545,053</u>
5 CASH AND BANK BALANCES:		
Cash in hand	362,111	329,443
Balance with Scheduled Bank in Current Account	34,222	125,779
	<u>396,334</u>	<u>455,222</u>
6 LOANS AND ADVANCES:		
(Unsecured, Considered good)		
Advance recoverable in cash or in kind or for value to be received:	1,589,204	1,458,353
Advance recoverable form Holding Company	8,692,793	8,692,793
Advance recoverable form Subsidiary Company	2,192,243	2,170,303
Deposits with Subsidiary Company	13,500,000	13,500,000
Deposits with others	4,320,010	4,310,010
Advance Tax & TDS	1,406,328	1,358,983
	<u>31,700,578</u>	<u>31,490,442</u>
7 CURRENT LIABILITIES:		
Other Liabilities	223,016	361,744
Amount payable to Subsidiary Company	45,361	63,461
Creditors for expenses	88,686	37,663
	<u>357,063</u>	<u>462,868</u>
8 PROVISIONS:		
Provision for Taxation	347,370	289,370
9 ADMINISTRATIVE, FINANCIAL & OTHER EXPENSES		
Bank Charges & Interests	1,252	2,373
Filing fees	2,800	13,200
Office Expenses	23,450	11,328
Compensation charges paid	120,000	120,000
Accounting Charges	18,000	-
Legal & Professional charges paid	488,254	320,153
Secretarial Service Charges	18,000	18,000
Electricity charges paid	6,000	180,537
Repairs & Maintenance Charges	84,308	210,534
Repairs & Maintenance Charges - Let out property	21,498	32,879
Property Tax paid - Let out property	3,288	10,635
Audit Fees	19,663	19,663
	<u>806,513</u>	<u>939,299</u>

SCHEDULE - 2

FIXED ASSETS:

Description	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As on 01-Apr-2007	As on 31-Mar-2008	For the year	As on 31-Mar-2008	As on 31-Mar-2008	As on 31-Mar-2007
Office Premises	1812937	1812937	32574	1194023	618914	651488
	1812937	1812937	32574	1194023	618914	651488

E'l Dorado Investments Company Pvt. Ltd.



SCHEDULE - 10

NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008.

A) Significant Accounting Policies:

- Accounting Concepts:** The accounts are prepared under the historical cost convention and also in accordance with the accounting standard issued by the Institute of Chartered Accountants of India and the Provisions of the Companies Act, 1956 as adopted consistently by the Company on the basis of a going concern.
- Recognition of Income and Expenditure:** All items of income and expenditure have a material bearing on the financial statements are recognised on accrual basis. However, dividends on investments in shares are accounted as and when received.
- Investments:** Investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in the opinion of the Management.
- Fixed Assets:** Fixed Assets are capitalized at cost inclusive of legal and / or installation expenses.
- Depreciation:** Depreciation is provided under the "Written Down Value Method" at rates provided by Schedule XIV to the Companies Act, 1956.
- Provision for FBT and Income Tax:** Provision for FBT & Income tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act 1961.

B. NOTES ON ACCOUNTS:

- In the opinion of the Board, the Current Assets, Loans and Advances are realizable in the ordinary course of business. The provisions for all known liabilities have been made and are adequate.
- The Income Tax Department has served the order of attachment of immovable property on the Company towards the tax demand against which the Company has preferred an appeal with the Appellate Authority.
- Related party disclosure:**

	Holding Company	
Maha Rashtra Apex Corporation Ltd.	Subsidiary Company	
Dagny Investments Pvt. Ltd.	Subsidiary Company	
Eldorado Share Services Pvt. Ltd.	Subsidiary Company	

Nature of Transaction	Balance as at 31-03-2008	Balance as at 31-03-2007
Advance Recoverable	10885036/-	10863096/-
Security Deposit paid	13500000/-	13500000/-
Advance Payable	45361/-	63461/-
- Earning per Share is calculated by dividing the profit attributable to the equity shareholders by the number of equity shares as under:

	2007-08 (Rs.)	2006-07 (Rs.)
Net Profit/(Loss) after Tax	88445	(5749)
Add(+)/Less(-) Prior Year Adjustments	Nil	Nil
Net Profit/(Loss) attributable to Equity Share Holders	88445	(5749)
Number of Equity Shares used as Denominator for calculating Basic EPS	1000000	1000000
Basic Earning Per Share of Rs. 10/- each	0.09	(0.01)

- The requirement of Accounting Standard 17 on Segment Reporting is not applicable to the Company for the year ended 31st March 2008.
- The Profit/Loss from the Partnership Firm has not been accounted in the absence of availability of information from the Firm.
- There is no Deferred Tax Liability on timing difference as at 31.03.2008.
- The Company has not made any provision for Fringe Benefit Tax, as there are no taxable expenses as per the provisions of said Act.

- The figures of previous year have been suitably regrouped and/or rearranged wherever necessary.

For and on behalf of the Board
date

As per our report of even

For VASUDEV PAI & CO.,
Chartered Accountants,

Director

Director

T. VASUDEV PAI
Proprietor

Place : Mumbai
Dated : 04.07.2008

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS:

Registration No. : 39904
State Code : 11
Balance Sheet date : 31.03.2008

2. CAPITAL RAISED DURING THE YEAR:

Public Issue : Nil
Rights Issue : Nil
Bonus Issue : Nil
Private Placement : Nil
Further Issue : Nil

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:

(Rs. in lakhs)
Total Liabilities : 409.70
Total Assets : 409.70

Sources of Funds:
Paid-up Capital : 300.20
Reserves & Surplus : 109.50

Application of funds:
Net Fixed Assets : 30.32
Investments : 65.45
Net Current Assets : 313.93

4. PERFORMANCE OF COMPANY:

Turnover : 11.12
Total Expenditure : 9.66
Profit/(loss) before Tax : 1.46
Profit/(loss) after Tax : 0.88
Earning per Share (Rs.) : 0.09
Dividend Rate :

- Generic names of three principal products/ services of Company : Not applicable

For and on behalf of the Board

Director

Director

Place : Mumbai
Dated : 04.07.2008

Riviera Steels Pvt. Ltd.



DIRECTOR'S REPORT

The Directors have to pleasure in presenting the Annual report of the Company together with the Audited accounts for the year ended 31st March 2008.

FINANCIAL RESULTS

The company earned a loss of Rs. 20,026/- for the year ended on 31st March 2008. The Directors are hopeful of better performance during the next year.

PROSPECTUS

The prospectuses for the year 2008-2009 are bleak.

DIVIDEND

Keeping in view the current year and accumulated losses, your Directors are constrained not to recommend any Dividend for the year under report.

DIRECTORS

There was no change in the Directorship of the Company during the financial year.

AUDITORS

M/s J.K.M. & Co., Chartered Accountant, Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting have submitted their unwillingness to continue as Statutory Auditors of the Company due to some personal reason and M/s Anil Shalini & Associates Chartered Accountants has inducted as new Statutory Auditors of the Company. The Company has also received a certificate from them to the effect that their appointment, if made, would be in accordance with the provisions of Section 224(1-B) of the Company Act, 1956.

NOTES ON ACCOUNTS

The observation of Auditors and notes on accounts are self explanatory and do not call for any separate explanation. **SECRETARIAL COMPLIANCE CERTIFICATE**

A certificate from a secretary in whole time practice regarding compliance of all the provisions of the Company Act 1956, by the Company as required under proviso to Section 383(A)(1) of the Company Act, 1956 is attached to this report.

PUBLIC DEPOSITS

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

The Company has not employed any employee referred to in Sub-Section 2A of Section 217 of the Companies Act, 1956 for the year or part of the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGOING

The Company's operations in the year under review neither required any conservation of Energy nor involved any Absorption of any Technology. Similarly, there was no earning or outgo in Foreign Exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm the following in respect of the audited accounts for the year ended 31st March, 2008

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- That the Directors had 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 at the end of the financial year and of the profit & loss account for that period.
- That the Directors had 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 Directors had prepared the annual accounts on a going concern basis.

BY ORDER OF THE BOARD OF DIRECTORS
FOR RIVIERA STEELS PRIVATE LIMITED

Place: New Delhi
Date: 16.08.2008

DIRECTOR

DIRECTOR

AUDIT REPORT

The Members of M/s Riviera Steels Private Limited

- We have audited the attached balance sheet of M/s Riviera Steels Pvt. Ltd. as at 31st March 2008 and also the Profit & Loss accounts for the year ended on that date annexed thereto which we have signed under reference of this report. These financial statements are the responsibility of the company management, our responsibility is to express an opinion on the financial statements based on our audit.
- 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 assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosure in 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 and report that:-
- As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in the term of sub section (4-A) of Section 227 of the Companies Act, 1956, We enclosed in the annexure a statement on the matters specified in Paragraph 4 & 5 of the said order.
- Further to the comments referred to in Paragraph (1) above, We report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
 - In our opinion, proper books of accounts as required by Law have been kept by the Company so far as it appears from our examination of the books.
 - The Balance Sheet and the Profit And Loss A/c dealt with by this report are in agreement with the books of accounts.
 - In our opinion, the Balance Sheet and the Profit and Loss A/c referred to in this report complied with Accounting Standards referred to in sub-section (3C) of Section 211, of the Companies Act, 1956.
 - On the basis of written representation received from the Directors, as on 31st March 2008 and taken on record by the board of Directors, we report that non of the Director is disqualified as on 31st March 2008 from being appointed as Director in terms of clause (g) of sub-section (1) OF Section 274 of the Companies Act, 1956.
 - In our opinion and to the best of our information and according to the explanation given to us, the said accounts together 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.
 - In the case of the Balance Sheet of the State of affairs of the Company as at 31st March 2008, and
 - In the case of the Profit and Loss Account of the Loss for the period ended on that date.

For Anil Shalini & Associates
Chartered Accountant

Place: New Delhi
Date: 16.08.2008

Anil Kumar Shukla
(Partner)

ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS OF M/s RIVIERA STEELS PVT. LTD.

(Referred to in Paragraph 3 of our report of even Date)

- In the absence of the Fixed Assets there is no need to maintaining records of Fixed Assets.
- Physical verification of inventory was not conducted during the year as there is no inventory during the year.
 - In the absence of the inventory there is no procedure of physical verification of inventory.
 - In the absence of the inventory there is no need to maintaining records of inventory.
- The Company has not granted any loan to the parties covered in the register maintained under Section 301 of the Act.
 - In our opinion, rate of interest and other terms and conditions of the loans given/ granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
 - N.A.
 - There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under Section 304 of the Companies Act, 1956.



Riviera Steels Pvt. Ltd.

(e) The Company has not taken any loan from company covered in the Register maintained under Section 301 of the companies Act, 1956.
 (f) The rate of interest and other terms and conditions of loan taken by the Company are not prima facie prejudicial to the interest of the Company. And
 (g) The company is regular in repaying the principal amount as stipulated and has been regular in the payment of interest.

4) (a) According to the information and explanations given to us, there is no contracts or arrangements during the year that needs to be entered in to the register maintained under Section 301 of the Companies Act, 1956. And
 (b) According to the information and explanations given to us, there is no contracts or arrangements during the year.

5) According to the information and explanations given to us, the Company has not accepted any deposits from the public.

6) In our opinion, the Company has an Internal Audit system commensurate with the size and nature of its business.

7) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.

8) (a) The company is regular in depositing with appropriate authorities undisputed amount due in respect of statutory dues including Provident Fund, Investor Education and Protection fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amount payable in respect of Statutory dues including Provident Fund, Investor Education And Protection fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues were in arrears, as at 31st March, 2008 for a period of more than six month from the date they become payable.

(b) According to the information and explanations given to us, there are no dues of income tax/Sales-tax/Wealth-tax/Service-tax/Custom Duty/Excise Duty/Cess which have not been deposited on account of any dispute.

9) In our opinion, the accumulated losses of the Company are not fifty percent of its net worth. Yes the company has incurred losses in such financial year and in the immediately preceding financial year.

10) According to the information and explanations given to us, there is no due to a financial institution or bank or debenture holders.

11) According to the information and explanations given to us; Company have not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

12) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.

13) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4 (xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.

14) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.

15) According to the information and explanations given to us, the Company has not taken term loans.

16) According to the information and explanations given to us, the Company has not raised funds on short term basis.

17) According to the information and explanations given to us, the Company has not made any preferential allotment of shares.

18) According to the information and explanations given to us, the Company has not issued debentures.

19) According to the information and explanations given to us. The Company has not raised money by public issue.

20) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.

For Anil Shalini & Associates
Chartered Accountant

Anil Kumar Shukla
(Partner)

Place: New Delhi
Date: 16.08.2008

BALANCE SHEET AS AT 31ST MARCH, 2008

Description	SCH	AS ON 31-3-2008 Rs.	AS ON 31-3-2007 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS :			
(a) Share Capital	1	10000000	10000000
(a) Reserve & Surplus	2	2187518	2187518
LOAN FUNDS			
Deferred Tax Liabilities	3	0	0
TOTAL		12187518	12187518
APPLICATION OF FUNDS			
FIXED ASSETS :			
Gross Block		0	0
Less : Depreciation		0	0
NET BLOCK		0	0
CURRENT ASSETS, LOANS & ADVANCES :			
(a) Inventories		0	0
(b) Sundry Debtors		9749641	9755141
(c) Cash & Bank Balance		8967	20963
(d) Loans & Advances		0	0
TOTAL		9759608	9776104
LESS : CURRENT LIABILITIES & PROVISIONS.			
(a) Current Liabilities	5	17000	13470
(b) Provisions			
TOTAL		17000	13470
NET CURRENT ASSETS		9742608	9762634
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
PROFIT & LOSS ACCOUNT	6	2444910	2424884
TOTAL		12187518	12187518
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS			
8			

The Schedules referred to above form an Integral part

As per our audit report of Accounts of even date attached

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For Riviera Steels Pvt.Ltd.

For ANIL SHALINI & ASSOCIATES
Chartered Accountants

DIRECTOR

Anil Kumar Shukla
Partner

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

SCHEDULE	AS ON 31-3-2008 Rs.	AS ON 31-3-2007 Rs.
INCOME		
Profit on Sale of Fixed Assets	-	-
EXPENDITURE		
Cost of Goods Sold	-	-
Employment Cost	-	-
Administrative & Other Expenses	20026	26116
Financial Cost	-	-
Miscellaneous Expenses	-	-
Depreciation	-	-
TOTAL		20026
TOTAL		26116



Riviera Steels Pvt. Ltd.

Profit for the year	(20026)	(26116)
Provision for Taxation		
Carried over to Balance Sheet	(20026)	(26116)

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

The Schedules referred to above form an integral part of Accounts

As per our audit report of even date attached

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For Riviera Steels Pvt.Ltd.

For ANIL SHALINI & ASSOCIATES
Chartered Accountants

DIRECTOR

Anil Kumar Shukla
Partner

PLACE : NEW DELHI.
DATED : 30.08.2008

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE - 1	AS ON 31-3-2008 Rs.	AS ON 31-3-2007 Rs.
SHARE CAPITAL		
AUTHORISED CAPITAL		
1,00,000 Equity Shares of Rs.100/- each	10000000	10000000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
1,00,000 Equity Shares of Rs.100/- each fully paid up. (Previous Year Same)	10000000	10000000
Share Application Money		
	10000000	10000000
SCHEDULE - 2		
RESERVE & SURPLUS		
(a) General Reserve	2187518	2187518
(b) Revaluation Reserve		
	2187518	2187518
SCHEDULE - 3		
DEFERRED TAX LIABILITIES		
Tax impact of difference between carrying amount of Fixed Assets in the Financial Statement & the I.T.Act		
MOVEMENT FOR THE YEAR ON ACCOUNT OF :		
Tax impact of difference between carrying amount of Fixed Assets in the Financial Statement & the I.T.Act		
Tax Rate Variance		
SCHEDULE - 4		
CASH & BANK BALANCES :		
a. Cash in hand	9967	20937
b. Balance with Scheduled Bank :		
In Current Account with - Canara Bank, East Patel Nagar, New Delhi C.A. - 4163.		26
	9967	20963
SCHEDULE - 5		
CURRENT LIABILITIES		
Sundry Creditors :		
i. For expenses	17000	13470
ii. Others from MRACL		
iii. From Mr. Anuranjan Sharma		
	17000	13470
SCHEDULE - 6		
PROFIT & LOSS ACCOUNT		
Balance as per Last year	2424884	2398768
LESS: Deferred Tax Liabilities	-20026	26116
LESS: Profit/(Loss) for the year	2444910	2424884
SCHEDULE - 7		
ADMINISTRATIVE & OTHER EXPENSES		
Filing Fee	7500	7500
Bank Charges	26	
Legal & Professional Charges	5000	10194
Printing & Stationery		
Auditor's Remuneration	7500	8422
	20026	26116

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 31.03.2008

Schedule - 8 Accounting Policies

1. Convention

The Financial Statements are prepared under the historical cost Convention in accordance with the applicable mandatory accounting standards and relevant presentational requirements of the Companies Act.

2. Fixed Assets

The company does not have fixed assets.

3. Sundry Debtors and Advances Recoveries

These are stated after making adequate provision for bad and doubtful balances.

4. Provision for Taxation

The company has loss in current year hence no provisioning is required in this financial year.

5. Method of Accounting

A) Income

In respect of the income, the company has follow the practice of accounting of such income on accrual basis. Revenue in respect of insurance/other claim, interest etc. recognized only when it is reasonably certain that ultimate collection would be made.

B) Expenses

All the Expenses have been provided on accrual basis.

6. Amortization of Miscellaneous expenditure

There is no Preliminary Expenses remain to be amortized.

7. Other accounting policies

These are consistent with the generally accepted accounting policies.

Notes on Accounts

- In the opinion of the Board of Directors of the company, Current Assets, Loans & Advances, if Realized in the ordinary course of the business shall amount to the value stated in the Balance sheet and provision for the known Liabilities have been made.
- The Company does not Fixed Assets so as no depreciation is available.
- There is no employee referred to in sub-sec 2-A of the Section 217 of the Companies Act 1956 read with Companies (Particulars of Employee) Rules 1975.
- Break up of the Auditor Remuneration is as follow:

Sl No.	Particulars	2007-08	2006-07
1.	Audit Fees	7500	8422
2.	For Company Law Matters	Nil	Nil
3.	For Other Matters	Nil	Nil
	TOTAL	7500	8422

- Traveling Expenses amounting to Rs Nil (Previous Year Rs. Nil) has been incurred by the Directors of the company.
- Previous Year figures have been regrouped/ recast wherever necessary to make them Comparable with those of current year.
- Contingent Liabilities not provided for Rs Nil (Previous year Rs Nil)
- The Company had no earning or Expenditure in Foreign Exchange during the year.
- Information with regard to Other Matter specified in clause 3,4(a) and 4(c) of Part II of Schedule VI of the Companies Act, 1956 are either Nil or Not applicable to the company.

(DIRECTOR)

(DIRECTOR)

Place: NEW DELHI
Date: 30.08.2008



Maha Rashtra Apex Corporation Limited

Regd. Office, Syndicate House, Manipal - 576 104

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

NAME AND ADDRESS OF THE SHAREHOLDER(S)/PROXY:

Reg. Folio No :

No. of shares held :

I hereby record my presence at the 64 Annual General Meeting of the Company on Monday, the September 29, 2008 at 4.00 p.m. at Manipal Junior College Auditorium, Manipal 576 104.

Signature of the Shareholder or Proxy
(Strike out whichever is not applicable)



Maha Rashtra Apex Corporation Limited

Regd. Office, Syndicate House, Manipal - 576 104

PROXY FORM

I/We.....of.....in the district of.....members of the above named Company, hereby appoint.....of.....in the district of.....of.....or failing him in the district of.....of.....as my/our

Proxy to attend and vote for me/us on my/our behalf at the 64th Annual General Meeting of the Company on Monday, the 29th September, 2008 at 4.00 p.m. and at any adjournment thereof.

Signed thisday of.....2008

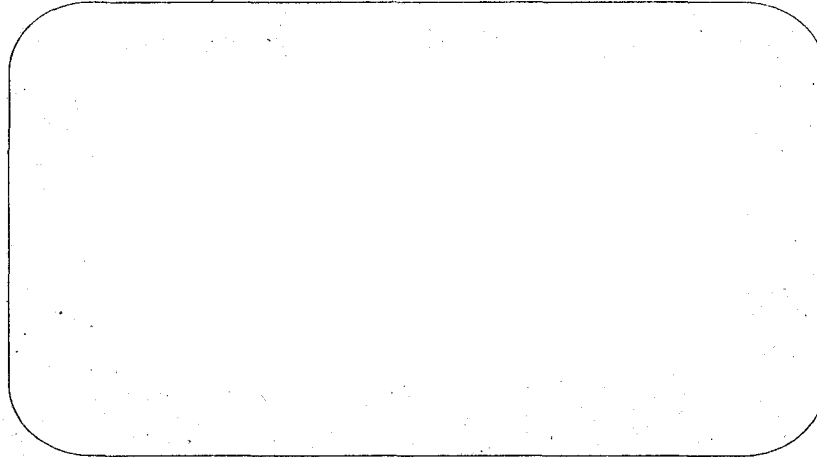
Reg. Folio No.

No. of Shares held

Affix 30 paise Revenue Stamp

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the time fixed holding the Meeting.

Book Post



If not delivered, please return to :



**Maha Rashtra Apex
Corporation Limited**

Regd. Office, Syndicate House, Manipal - 576 104