

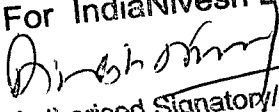
**IndiaNivesh**  
L I M I T E D

We serve as a bridge for  
creating wealth and preserving it.

78<sup>TH</sup>  
ANNUAL REPORT 2008-2009

Securities  
Insurance  
Investments  
Commodities  
Stresses Assets

Management Consultancy

For IndiaNivesh Limited  
  
Authorised Signatory/Director

**ANNUAL REPORT 2008-2009**

<b>Board of Directors</b>	Mr. Anil Bafna Mr. Dinesh Nuwal Mr. Rajesh Nuwal Mr. Hemant Panpalia Mr. J. K. Sethi	Chairman Non-Executive Vice Chairman Managing Director Non Executive Director Independent Director
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**Registered Office** 601 & 602, Sukh Sagar,  
N. S. Patkar Marg,  
Girgaum Chowpatty,  
Mumbai 400 007

<b>Audit Committee</b>	Mr. Anil Bafna Mr. J. K. Sethi Mr. Dinesh Nuwal	Chairman Member Member
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<b>Remuneration Committee</b>	Mr. Anil Bafna Mr. J. K. Sethi	Chairman Member
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**Company Secretary** Mr. Jinesh Doshi

**Bankers** HDFC Bank Limited  
Fort Branch,  
Mumbai

**Auditors** M/s. Dalal & Shah  
Chartered Accountants

**Registrar & Transfer Agents** Adroit Corporate Services Private Limited  
19/20, Jaferbhoy Industrial Estates,  
1st Floor, Makwana Road,  
Marol Naka, Andheri (E),  
Mumbai - 400 059.

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## NOTICE

NOTICE is hereby given that 78th Annual General Meeting of the Company will be held on Thursday, December 31, 2009 at 5:00 p.m. at 601 & 602, Sukh Sagar, N.S. Patkar Marg, Girgaum Chowpatty, Mumbai 400 007 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009 and the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend on Equity Shares.
3. To appoint a Director in place of Mr. Dinesh Nuwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anil Bafna who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s CLB & Associates, Chartered Accountants in place of M/s Dalal & Shah, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### 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 a proxy need not be a member of the company. The proxy in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.**
2. In terms of section 205A and 205C of the Companies Act, 1956 any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Members who have not encashed their divided warrants for the year 2002-2003 are requested to write to the Company / Registrars and Share Transfer Agents. Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, December 29, 2009 to Thursday, December 31, 2009.
4. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Company so as to reach at least seven days before the date of the meeting, so that the information required may be made available at the meeting, to the best extent possible.

6. Members are informed that the Company's equity shares have been allotted ISIN No. INE131H01010. Members who wish to dematerialise their shares are requested to approach the Registrar and Share Transfer Agents through their Depository Participant.

*Registered Office:*  
601 & 602, Sukh Sagar,  
N. S. Patkar Marg,  
Girgaum Chowpatty,  
Mumbai - 400 007

By Order of the Board of Directors  
For **IndiaNivesh Limited**

**Rajesh Nuwal**  
Managing Director

Mumbai, December 8, 2009

**Details of the directors seeking appointment at the forthcoming Annual General Meeting  
[Revised Clause 49(IV) (G) of the Listing Agreement]**

Name of the Director	Mr. Dinesh Nuwal	Mr. Anil Bafna
Date of Birth	5.8.1965	9.6.1959
Date of Appointment	31.1.2007	29.6.2007
Expertise in specific functional areas	Mr. Nuwal was a Practicing Chartered Accountant having a wide experience in the fields of Accounts, Audit and Finance. He is a visionary and has an ability to garner the resources in a tactful manner. Apart from this he has an overall expertise ranging from front office to back office and Operations to Surveillance and risk management system.	Mr. Bafna is a senior partner in A. Bafna & Company, a Chartered Accountant firm, possesses around 25 years experience in the areas of Management Consultancy, Project Financing, Taxation, Auditing and Corporate Law matters. He specialises in project and management consultancy and has also handled foreign assignments. He is also appointed as National Expert on Marble & Granite by United Nation Industrial Development Organisation (UNIDO), Vienna, Austria.
Qualifications	B.Com., FCA	B.Com., FCA
Directorships held in other companies (excluding private & foreign cos.)	IndiaNivesh Securities Private Limited (wholly owned subsidiary of IndiaNivesh Limited) Siddhi Multi-Trade Pvt. Ltd. IndiaNivesh Management Consultants Pvt. Ltd.	Indcap Financial Limited
Committee position held in other companies	Nil	Nil
No. of shares held by Non-Executive Directors	Nil	Nil

## DIRECTORS' REPORT

To,  
The Members

The Directors present their Seventy Eighth Annual Report with the Audited Statement of Accounts for the year ended March 31, 2009.

### FINANCIAL RESULTS

	<b>Current Year 2008-2009 (Rs. in lacs)</b>	<b>Previous Year 2007-2008 (Rs. in lacs)</b>
Total Income	394.92	701.69
Profit / (Loss) before Interest & Depreciation:	363.34	669.50
Less:		
Interest	345.52	276.01
Depreciation	2.20	2.50
Profit / (Loss) before Tax:	15.62	391.00
Provision for Current Tax	1.75	45.00
Provision for FBT	0.18	0.15
Provision for Deferred Tax	0.29	0.34
Profit After Tax	13.23	345.50
Add / (Less):		
Balance brought forward	942.86	833.50
Appropriations:		
Interim Dividend	-	75.50
Proposed Dividend	37.75	37.75
Dividend Tax	6.41	19.25
Transfer to General Reserve	1.34	34.55
Transfer to Statutory Reserve	2.68	69.10
Balance carried to Balance Sheet	907.91	942.86

### PERFORMANCE

During the year under review, the Company earned a total income of Rs. 3,94,92,288/- as compared to Rs. 7,01,06,908/- in the previous year. The Company has earned a Net Profit of Rs. 13,39,399/- (Previous Year Rs. 3,45,49,820/-). With the improving economic scene, the Company expects to perform better during the current year

### DIVIDEND

The Directors are pleased to recommend, for the approval of the Members a Final Dividend of 10% i.e. Re.1/- per share on 37,75,000 equity shares of Rs.10/- each of the Company for the financial year 2008-2009. The Final Dividend, if declared as above, would involve an outflow of Rs.37,75,000/- towards dividend and Rs. 6,41,561.-/- towards dividend distribution tax resulting in total outflow of Rs 44,16,561/-.

Due to insufficient profits for the year under review, the Directors have proposed to declare the dividend out of Reserves of Company which in compliance with the Companies (Declaration of Dividend out of Reserves) Rules, 1975.

#### **TRANSFER TO RESERVES**

The Company proposes to transfer Rs. 1,33,940/- to General Reserve and as per the NBFC Guidelines the Company also proposes to transfer 20% of Net Profit after Taxation which amounts to Rs 2,67,880/- out of the amount available for appropriations.

#### **SUBSIDIARIES**

The Company had 6 subsidiaries (including one indirect subsidiary) at the beginning of the year.

Krishnadeep Marketing Services Private Limited, one of the wholly owned subsidiary ceases to be the subsidiary of the Company during the year under review by offloading its entire 100% stake from it.

In view of the above, the total number of subsidiaries as on March 31, 2009 is 5.

There has been no material change in the nature of the business of the subsidiaries. A brief statement containing brief financial details of the subsidiaries is included in the Annual Report.

#### **PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT**

As per Section 212 of the Companies Act, 1956, we are required to attach the directors' report, balance sheet, and profit and loss account of our subsidiaries. We had applied to the Government of India for an exemption from such an attachment as we present the audited consolidated financial statements in the Annual Report. We believe that the consolidated accounts present a full and fair picture of the state of affairs and the financial condition and are accepted globally. The Government of India has granted exemption from complying with Section 212. Accordingly, the Annual Report does not contain the financial statements of these subsidiaries. We will make available the audited annual accounts and related information of subsidiaries, where applicable, upon request by any of our investors. These documents will also be available for inspection during business hours at our registered office in Mumbai, India.

#### **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits under the provisions of Section 58A of the Companies Act, 1956 and the rules made there under.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement in the Annual Report.

#### **CORPORATE GOVERNANCE**

A separate section on Corporate Governance forms part of the Annual Report. A certificate regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

The Company has complied with all mandatory requirements as prescribed under Clause 49 of Listing Agreement with Bombay Stock Exchange Limited (BSE).



## **CASH FLOW STATEMENT**

As required under Clause 32 of the Listing Agreement with the Stock Exchanges, a Cash Flow Statement is attached to the Balance Sheet, along with Auditors Certificate.

## **DEATH OF MR. C.K. THANAWALA**

It is with deep sorrow, that we are informing you about the demise of Company's Independent Chairman Shri C.K. Thanawala on June 30, 2009. Shri Thanawala succumbed due to massive heart attack. As a person who championed the cause of people's participation in natural resource management, it will be difficult to fill the void that he has left. However, the best way of respecting and remembering him would be by taking his work forward.

## **DIRECTORS**

Mr. Sandeep Ghate had resigned as Director from the Board of the Company with effect from March 31, 2009. During their tenure as Director, he had greatly contributed to the performance of the Company by his vast knowledge and experience.

As per the Article 139 (1) of Articles of Association of the Company, Mr. Dinesh Nuwal and Mr. Anil Bafna, retires by rotation and being eligible, offers themselves for re-appointment, which your Directors consider to be in the interests of the Company and therefore commend it for your approval.

Brief profiles of all the above Directors are provided elsewhere in this Annual Report as additional information.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors based on the representations received from the Operating Management confirm that, to the best of their knowledge -

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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 / loss of the Company for the year under review;
- iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability 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 Directors have prepared the accounts on a going concern basis.

## **AUDIT COMMITTEE**

The Audit Committee comprises of Mr. Anil Bafna (Chairman), Mr. J.K. Sethi and Mr. Dinesh Nuwal, all being Non-Executive Directors two whom are Independent Directors and the Chairman in a Non Executive Independent Director. The Audit Committee met 4 times during the year under review.

#### **AUDITOR'S**

The Company's current auditors M/s. Dalal & Shah have expressed their inability to continue as Statutory Auditors of the Company. Hence, the Board proposed to appoint M/s. CLB & Associates, Chartered Accountants as the Statutory Auditors in place of M/s. Dalal & Shah.

Shareholders are requested to appoint the new Auditors and authorize Board of Directors of the Company to fix their remuneration. A certificate has been obtained from them to the effect that the appointment, if made will be in accordance with the limits specified in sub-section (1B) of Section 224 for the Companies Act, 1956. The Audit Committee and your Board recommended their appointment.

#### **AUDITOR'S REPORT**

The observations made by the Auditors in their report are appropriately dealt with in the notes forming part of the accounts for the year which are self-explanatory and hence do not require any further explanations.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In view of the nature of activities which are being carried on by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively are not applicable to the Company.

There were no foreign exchange earnings and outgoing during the year under review.

#### **PARTICULARS OF EMPLOYEES**

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not given, as there were no employees drawing remuneration prescribed under the said section.

#### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation of the assistance and support extended by customers, financial institutions, banks, vendors, Government and other associated with the activities of the Company.

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

Place : Mumbai  
Date : June 30, 2009

**Rajesh Nuwal**  
Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. Our management accepts responsibility for the integrity and objectives of these financial statements, as well as for various estimates and judgments used therein.

The Year 2008-2009 can easily go down in the books of history as one of the most difficult and hence was one of the most challenging years for most of the global businesses. The signs of the global meltdown were evident in the previous year but no one expected this to be so harsh on the economy. Major repercussions were witnessed in September 2008 due to the 'sub-prime' driven financial crises and collapse of leading financial institutions like Lehman Brothers etc, which was followed by months of severe liquidity crunch all across the globe. Global economies starting with the US in the third quarter of 2008, every major developed country went into a recession which continues till today. Japan and the EU recorded either negative or close to zero real economy growth during the period 2008-09. Fortunately India has not been one of the major affected countries when compared with the aftermath this global recession has left on the developed economies. Also due to the massive financial, monetary and fiscal interventions by the US as well as major European nations, the acute financial crises passed by January 2009, however not before scarring the real economy everywhere in the world.

### Global Economic Scenario:

The year 2008 was a year of mayhem for the world economy and capital markets in particular. Globally termed as slowdown, meltdown, downturn, everyone recognised one thing, that a problem by any other name would still be a problem. The Year 2008-2009 can easily go down in the books of history as one of the most difficult and hence was one of the most challenging years for most of the global businesses. The signs of the global meltdown were evident in the previous year but no one expected this to be so harsh on the economy. Major repercussions were witnessed in September 2008 due to the 'sub-prime' driven financial crises and collapse of leading financial institutions like Lehman Brothers etc, which was followed by months of severe liquidity crunch all across the globe. Global economies starting with the US in the third quarter of 2008, every major developed country went into a recession which continues till today. Japan and the EU recorded either negative or close to zero real economy growth during the period 2008-09. Bankruptcies, bailouts and rescue packages soon surfaced. While the crisis began in the housing mortgage market, it soon extended to the money market and the credit market. As a result, several financial institutions were pushed to the brink of insolvency. The entire banking and financial system collapsed across the countries, leading to severe credit crunch and crash in the global stock markets. The factors which further contributed to the crisis were the escalating crude oil prices which in turn led to soaring food prices and global inflation. The repercussions were severe, with many countries sliding into recession and increased unemployment. Fortunately India has not been one of the major affected countries when compared with the aftermath this global recession has left on the developed economies. Also due to the massive financial, monetary and fiscal interventions by the US as well as major European nations, the acute financial crises passed by January 2009, however not before scarring the real economy everywhere in the world.

### The Indian Economy:

Economic activity slowed down in first two quarters of 2008-09 as compared with over 9.0% growth in the previous three years. However there was a sharp decline in the third quarter following the failure of Lehman Brothers in mid-September 2008 and the ripple effects of the global financial crisis on the Indian economy. Consequently, the growth rate during the first three quarters (April-December) of 2008-09 slowed down significantly to 6.9% from 9.0% in the corresponding period of the previous year. The advance estimates of the Central Statistical Organisation (CSO) were revised and the GDP growth for the year 2008-09 was placed in the range of 6.5 to 6.7%. Growth in Index of

Industrial Production (IIP) decelerated to 2.8% during (April 2008-February 2009) from 8.7% in the corresponding period of the previous year. The service sector was relatively well in 2008-09 so far (April-December) with growth of 9.7% from 10.5% in the corresponding period of 2007-08. Inflation climbed steadily during the year, reaching 8.75% at the end of May 2008, with an alarming increase in June and by July 2008, the inflation was above 11%, its highest rate in last so many years. As the year progressed and the crisis unfolded, economic prospects globally deteriorated rapidly and the theory of decoupling India from the global crisis did not sustain. Also the ghastly terrorist attacks which struck Mumbai further accelerated the situation.

#### **Indian Capital Markets:**

Indian capital market witnessed large scale volatility between September and October 2008. The Indian equity markets declined in line with major international equity markets. The primary market segment witnessed slackness in resource mobilization during the second quarter of 2008-09. The resources raised through public issues declined to Rs.12,361 crore during April-September 2008 from Rs.31,850 crore during the corresponding period of the year 2007 and the number of issues also declined to 32 from 60. The global economic meltdown and its impact on Indian markets wiped out over Rs.40 lakh crore of investor wealth in 2008. The investor confidence was at its lowest during the said period. Due to constant fall in the stock market, investors took refuge in safe avenues like Fixed deposit with Banks. Foreign Institutional Investors (FIIs) withdrew from the Indian markets and there was a repatriation of about \$ 13 billion by the FIIs in 2008 on account of equity disinvestment which resulted in a sharp decline in equity prices and market capitalization. Besides, there was large-scale redemption of holdings with mutual funds which put further pressure on liquidity. The Government and the Regulatory authorities timely monitored and took several steps to ease out the situation and improve upon the liquidity in debt and equity markets.

#### **Opportunities, Threats, Risks and Concerns:**

The Indian capital markets have not yet decoupled from the international markets and remain susceptible to events emanating from those countries. The Company's performance is closely linked to the Indian capital markets and the risks associated with the market operations. The value of the investments may be affected by factors which will have a bearing on the functioning of capital markets like price and volume volatility, interest rates, foreign investments and other parameters. With various factors posing threats and high volatility of the capital markets, the management feels that till there is stability and the overall improvement in the economy, investments should be done in safe avenues like Fixed Deposits with scheduled banks and in shares of growth oriented companies having a good track record. Considering the strong fundamentals of the Indian Economy, the capital markets are expected to revive in due course.

#### **Internal Control System:**

The Company has maintained an adequate system of Internal Controls. The assets are safeguarded and protected against loss from unauthorised use and disposition. The transactions are authorized, recorded and reported diligently. The internal control is supplemented by an effective internal audit carried out by an external firm of Chartered Accountants. The management regularly reviews the findings of these internal auditors and takes appropriate steps to implement the suggestions and observations made by them.

#### **Outlook:**

The global outlook has continued to deteriorate in the last quarter, with projections for global growth in 2009 undergoing rapid downward revision. IMF has projected that the global growth will shrink by 0.5 to 1.0% in contrast to an expansion of 3.2% in 2008. The IMF in its latest report has cautioned that the economic downturn is likely to continue through 2009-10 and even further. The major economies are undergoing recession. The contagion of the financial crisis has now spread in other developing countries.

As for India, it is expected that it may not be as badly hit as other developing countries but the growth could be hampered due to the India's integration with global economy. The Economic Survey predicts that India's GDP could be around 7.75% in 2009-10 if the global economy improves, otherwise the GDP would be in the range of 6-6.25%. As far as capital markets are concerned, the FIIs have once again reposed faith and this can boost the confidence of the Indian investors. There may be volatile swings and certain corrections in the year ahead but it may augur well if the monsoon and the crude oil prices do not act as dampeners.

## **Business Operations**

### **1. Stressed Asset Management**

Stressed Asset Management business is one of the key focus area of the Company and INL being an NBFC has a pre-eminent position among the few players present in this industry. INL purchases stressed assets and portfolios from banks and financial intermediaries and assist in resolution of such non performing loans. INL has made significant investments in buying stressed asset portfolios, the economic benefits of which will accrue over the next few years.

Investment activity is the major segment in which your Company operates. The company invests in quoted as well as unquoted equity shares and in units of Mutual Funds. This segment has been influenced by the overall economic, regulatory and other global as well as domestic factors. The capital market barometer, the BSE Sensex was at 15771.72 on its opening on April 1, 2008, touched high at 17735.70 on May 5, 2008 and closed at 9708.50 on March 31, 2009. The Sensex was very volatile over the year. After reaching an all time high of 21207.77 on January 10, 2008, the stock market witnessed the biggest single day fall of 1408 points on January 21, 2008. Thereafter, there was a precipitous fall which can be mainly attributed to the sub-prime crisis, the failure of Investment banks in US and global markets crash.

### **2. Area of operation of Subsidiary Companies**

#### **a. IndiaNivesh Securities Private Limited (INSPL)**

In the era of diversified field of activities and more importantly Capital Market grabbing the attention of most of the people INSPL provides the most needed diversified area of operation. Of the 1.3 billion population and 250 million households in India, only about 40 million Indians invest in shares and mutual funds. In terms of retail household assets, only 1.6% is invested in equity related instruments, indicating a huge growth potential. INSPL is attractively positioned to capitalise on this inflection opportunity.

The striking feature of INSPL is that:

- INSPL is registered as a **Stock Broker** with SEBI and has memberships of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) for both Cash and Derivatives segments and also for Currency Futures Segment.
- INSPL is a registered **Depository Participant** with CDSL and NSDL.
- INSPL is also into **Paper Distribution** - Primary Market and New Fund Offerings (NFO).
- INSPL is also registered with AMFI for **Mutual Fund distribution**.
- Private Placement of Equity and Debts.

#### **b. Siddhi Multi-Trade Private Limited (SMTPL)**

As real estate construction and values have expanded in India underpinned by healthy economic growth coupled with a series of IPOs from eminent real estate players which has substantially changed the whole view about the real estate sector, SMTPL provides the back up support to INL in the areas of acquisition of stressed assets and for the acquisition of movable and immovable properties.

Furthermore, with a growth in global property market, the level of competition in the Indian property business is rising, while the need for property firms to strengthen their operational infrastructures, personnel and finances to better compete is also becoming more acute. SMTPL can efficiently provide the support to the Company in these areas of operation

**c. IndiaNivesh Management Consultants Private Limited (INMCPL)**

INMCPL is the investment banking arm of INL offering consultancy services that include mergers, acquisitions and divestitures, capital raising and recapitalization. It offers expert counseling services in business advisory, transaction support, banking and financial services. The ambit of services includes management of capital raising activities through debt or equity from private/public placement and banks/financial institutes.

INMCPL intends to start merchant banking services in the near future and is contemplating making an application to SEBI for registration.

**d. Luminaire Technologies Limited (LTL)**

Luminaire Technologies Limited, a 51% subsidiary of INL which is listed on the Bombay Stock Exchange Limited is into the business of software and technology development. LTL intend to diversify the scope of its activities and has planned to venture into new business fields such as media and entertainment.

LTL has already applied for downlinking license with Information & Broadcasting Ministry (I & B Ministry) and is planning to launch dedicated 24 Hours 'Property TV' Channel which is one of its kind.

**e. IndiaNivesh TV Networks Pte. Ltd. (Singapore) (INTVPL) (an indirect subsidiary)**

LTL has mooted the idea of a property channel which will be the first of its kind in India. INTVPL has been set up in Singapore as a wholly owned subsidiary of Luminaire Technologies Limited (Subsidiary of IndiaNivesh Limited) for the purpose of setting up the infrastructure and the property channel will be launched in Singapore, the Middle East and India.

**Opportunities, Threats, Risks and Concerns**

Due to constant change in market dynamics, your Company has endeavoured to tread cautiously and re-align the portfolio. With the mix of old and new economy, your Company aspires to achieve better growth in the ensuing year.

**Financial Performance**

The total income for the year under review is at Rs.7,01,06,908/- as compared to Rs.7,64,39,088/- in the previous year, a marginal decrease of about 8%. After providing for depreciation Rs2,49,891/- (Previous Year 2,84,639/-) the Company has incurred a Net Profit of Rs.34,54,982/- (Previous Year Net Profit of Rs.6,38,13,274/-).

**Internal Control System**

The internal controls are structured at three different levels.

The first level being - the 'Internal Audit Department' which exercises internal control over each type of Expenditure. The second level employs the services of an 'External Auditors' Firm, to audit the processes and activities of key functions in the organization such as the materials, personnel functions. The 'Statutory Auditors' operate at the apex, third level. In the opinion of the Board of Directors, these systems are adequate considering the size and nature of the Company's business.

The management regularly reviews the findings of these internal auditors and takes appropriate steps to implement the suggestions and observations made by them.

### **Human Resources**

As on March 31, 2009, the Company had 4 employees on its rolls. There have been very cordial relations between the employees and the management.

### **Outlook**

Policy mandarins have repeatedly said in the past few weeks that Economy can sustain a growth of 9.0% plus but a global financial crisis could dent expansion. Slowing of the US Economy has worried investors and policymakers and concerns have also surfaced that downturn in the world's biggest Economy was spreading to emerging nations as well.

As pick-up in the investment activity is expected to continue in 2008-2009 resource mobilisation through public issues, private placements and Euro issues are stated to remain encouraging in the primary segment.

With increased globalization, behaviour of stock prices in the near terms will be largely influenced by a host of domestic as well as international factors.

In line with developments in the major markets, emerging equity markets in Asia have continued to recover from the Jan-March sell-off. The markets which suffered the largest losses have more than recouped earlier losses.

So, to derive the benefits of investment opportunities available in the market, the company in the coming years will focus on:

**Research Base:** Develop highly informative research reports on equity and commodity market for its clients.

**Stressed Asset Portfolio:** To enhance its Stressed Assets Portfolio by buying value assets from banks and financial institutions.

**Branch Network:** Expand presence of the Company by opening of branches at various destinations across the country including Tier II cities.

### **DISCLAIMER:**

The information and opinion expressed in this section of the Annual Report may contain certain statements, which the management believes are true to the best of its knowledge at the time of its preparation. The Company and the Management shall not be held liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein.

On Behalf of the Board of Directors

**Rajesh Nuwal**  
Managing Director

Place : Mumbai  
Date : June 30, 2009

## **CORPORATE GOVERNANCE REPORT**

### **CORPORATE GOVERNANCE PHILOSOPHY**

We at IndiaNivesh view Corporate Governance as one of the most important aspects of building sustainable organization. We believe that following best Corporate Governance practices, maintaining transparency and dissemination of maximum information to stakeholders is healthy to the Company and its stakeholders. Our Corporate Governance practices constantly in line with compliance requirements of various statutory rules and regulations.

A good and visionary leadership is critical to the practice of good Corporate Governance. Leaders in INL consistently strive to dare and dream big. They are the people of impeccable integrity who are committed to certain basic values in the management of business and are prepared to walk the talk. Good Corporate Governance standards have enabled INL to build and sustain reputation for quality and also attract and retain the best and brightest talents. Building trust and confidence requires an environment that places a high premium on ethics, fairness, transparency, courage and justice, we at INL encourage this. We constantly endeavor to communicate clearly and completely and strive to be open and honest in all our dealings.

### **BOARD OF DIRECTORS**

The Board of Directors consists of 6 (Six) Directors, one of which is an Executive Director / Managing Director and remaining 5 (Five) are Non-Executive Directors. Three out of six directors belongs to the Promoter Group and remaining three are Independent Directors.

According to Clause 49 of the Listing Agreement, if the Chairman is a Non-Executive Chairman, atleast one third of the Board should consists of Independent Directors. In case of IndiaNivesh Limited three out of six are Independent Directors which is very well in compliance with the requirements of the Listing Agreement.

The board of Directors of IndiaNivesh Limited therefore has a healthy blend of Executive and non-Executive Directors and consequently ensures the desired level of independence in functioning and decision making. Moreover all the Directors are eminent professionals and bring the wealth of their professional expertise and experience.

### **Composition of Board of Directors as on March 31, 2009**

<b>Director</b>	<b>Non-Executive (NE) / Independent</b>
Mr. C. K. Thanawala	NE & Independent
Mr. Dinesh Nuwal	NE & Promoter
Mr. Rajesh Nuwal	Executive & Promoter
Mr. Hemant Panpalia	NE & Promoter
Mr. Anil Bafna	NE & Independent
Mr. J. K. Sethi	NE & Independent

A Director is considered to be independent if he :

- a) has no formal pecuniary relationship with the company;
- b) is not a large client of the company;
- c) is not a close relative of the promoter and/or any Executive Director;
- d) is not holding significant stake; and
- e) is not a nominee of large stakeholders.



A Director is considered to be independent if he :

- has no formal pecuniary relationship with the company;
- is not a large client of the company;
- is not a close relative of the promoter and/or any Executive Director;
- is not holding significant stake; and
- is not a nominee of large stakeholders.

**Participation and Interest of Directors**

Director	Participation of Directors		Interest of Directors in Other Companies		
	Board Meetings	Last AGM	Directorship*	Committee Membership#	Committee Chairmanship#
Mr. C. K. Thanawala	7	YES	10	3	2
Mr. Dinesh Nuwal	7	YES	1	-	-
Mr. Rajesh Nuwal	7	YES	1	3	-
Mr. Hemant Panpalia	Nil	YES	2	-	-
Mr. Anil Bafna	1	NO	-	-	-
Mr. J. K. Sethi	7	NO	1	1	-
Mr. Sandeep Ghate <sup>2</sup>	Nil	NO	-	-	-

<sup>1</sup> Appointed with effect from June 30, 2008

<sup>2</sup> Resigned with effect from March 31, 2009

\* Excludes alternate directorships and directorships in foreign companies, and private companies which are neither a subsidiary nor a holding company of a public company.

# Excludes committees other than Audit Committee, Shareholder, Investor Grievance Committee and membership of committees of Companies other than Public Limited Companies.

**COMMITTEES OF THE BOARD**

The Board has constituted committees of Directors to take informed decisions in the best interest of the Company. These committees monitor the activities falling within their terms of reference. The composition of committees and attendance at the meetings is detailed below.

**Audit Committee**

The Audit Committee at IndiaNivesh was constituted long back in 2001 and was reconstituted time to time to comply with provisions of various Laws and Listing Agreement. The scope and terms of reference and working of the Audit Committee are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the Committee. Presently the constitution and the scope of work of the Audit Committee conform to the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Currently, the committee consists of four directors with an optimum mix of Independent and Non-Independent Directors with majority of Independent Directors. Committee is headed by Mr. C. K. Thanawala, Non-Executive Independent Director.

Attendance of the Members at the Meetings of Audit Committee held during 2008-2009;

<b>Audit Committee Members</b>	<b>Status</b>	<b>No. of Audit Committee Meetings Attended</b>
Mr. C. K. Thanawala	Chairman	5
Mr. Dinesh Nuwal	Member	3
Mr. J. K. Sethi	Member	5
Mr. Hemant Panpalia <sup>1</sup>	Member	Nil
Mr. Sandeep Ghate <sup>2</sup>	Member	Nil

<sup>1</sup> Appointed with effect from March 31, 2009.

<sup>2</sup> Resigned with effect from March 31, 2009.

All the directors have good knowledge of corporate and project finance, accounts and Company law.

The committee held five meetings during the year on April 22, 2008, June 30, 2008, July 30, 2008, October 22, 2008, January 30, 2009 and maximum time gap between two meetings are well within the requirements of amended Clause 49 of Listing Agreement.

The audit committee considered audit reports covering operational, financial and also the quarterly results of the Company. The minutes of the meetings of the audit committee are placed before the Board.

#### **Remuneration Committee**

The Remuneration Committee was constituted in 2007 with the following term of reference:

- To determine the Company's policy on remuneration to Executive Directors and their relatives working in the Company, including their retirement benefits and compensation payments.
- To approve the remuneration payable to all managerial personnel including the Executive Director.

Currently, the committee consists of two directors all being Non-Executive Independent Directors. Committee is headed by Mr. C. K. Thanawala, Non-Executive Independent Director and Mr. J. K. Sethi being the other Member of the said committee.

No committee meeting was held during the year under review.

#### **Details of Remuneration for 2008-2009**

<b>Name of the Director</b>	<b>Sitting fees Board &amp; Audit Committee Meetings</b>	<b>Salaries, Allowances and Perquisites</b>	<b>Commission</b>
<b>Managing Director</b>			
Rajesh Nuwal	Nil	11,88,012/-	Nil
<b>Non Executive Directors</b>			
C. K. Thanawala	20,000/-	Nil	Nil
Dinesh Nuwal	18,500/-	Nil	Nil
Hemant Panpalia	2,000/-	Nil	Nil
Anil Bafna	2,000/-	Nil	Nil
J. K. Sethi	20,000/-	Nil	Nil
Sandeep Ghate	Nil	Nil	Nil

Apart from above the Company has not paid any other remuneration in the form of other benefits. The Company does not have a scheme for grant of stock options either to the Managing Director or to the employees.

#### **Shareholders' / Investors' Grievance Committee**

Shareholders' / Investors' Grievance Committee of the Directors was constituted on December 2, 2005 to specifically look into the redressal of complaints of investors relating to transfer of shares, non-receipt of dividend / notices / annual reports etc.

One meeting of the Shareholders' / Investors' Grievance Committee was held during the year on March 31, 2009. The Committee comprises of Mr. Dinesh Nuwal, a Non-Executive Director as Chairman and Mr. Rajesh Nuwal as a member. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was Nil. There were no complaints pending as on March 31, 2009.

Also, the Company has designated the email id 'investorrelations@indianivesh.in' exclusively for the purpose of registering complaints by investors electronically.

#### **Name, designation and address of Compliance Officer:**

**Mr. Jinesh Doshi**  
Company Secretary

601 & 602, Sukh Sagar,  
N. S. Patkar Marg,  
Girgaum Chowpatty,  
Mumbai - 400 007  
Ph.: 022 - 6618 8800  
Fax: 022 - 6618 8899

#### **COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS**

##### **Management Discussion & Analysis**

A Management Discussion and Analysis Report forms part of the Annual report and includes discussions on various matters specified under clause 49(IV)(F) of the Listing Agreement.

##### **Subsidiary Company**

The Audit Committee of the Company reviews the financial statements, in particular, the investments made by its subsidiary.

The Minutes of the meetings of the Board of Directors of the subsidiary company are been regularly placed before the Board of Directors of the Company. A statement containing the significant transactions and arrangements entered into by the unlisted subsidiary are periodically placed before the Board of Directors of the Company.

##### **Disclosures**

As required by revised clause 49, a statement in summary form of transactions with related parties are being periodically placed before the Audit Committee.

##### **Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

### **Disclosures on Risk Management**

The Company has laid down procedures to inform Board members about the risk assessment and minimisation procedures. The Board shall periodically review the same.

### **Code of Conduct**

The Board has formulated a code of conduct for the Board members of the Company. All Board members have affirmed their compliance with the code. A declaration to this effect signed by the Chairman of the Board of Directors of the Company is given elsewhere in the Annual Report.

### **CEO/CFO Certification**

A certificate from the Managing Director on the financial statements of the Company was placed before the Board.

### **Review of Directors' Responsibility Statement**

The Board in its report have confirmed that the annual accounts for the year ended March 31, 2007 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

## **COMPLIANCE WITH NON-MANDATORY REQUIREMENTS**

### **Tenure of Independent Directors on the Board**

The Company has not yet fixed any tenure for the Independent Directors on the Board of the Company.

### **Shareholder Rights**

Half yearly report is not sent to each household of shareholders. However, the results of the Company are published in the newspapers.

### **Audit Qualifications**

Strategic decisions were taken during the year resulting in unqualified financial statements of the Company.

### **Training of Board Members**

The Company has not yet adopted any training programme for the members of the Board.

### **Whistle Blower Policy**

The Company has not adopted any Whistle Blower policy.

## **GENERAL BODY MEETING**

The Annual General Meeting of the Company will be held on Thursday, December 31, 2009 at 5.00 p.m. at 601 & 602, Sukh Sagar, N.S. Patkar Marg, Girgaum Chowpatty, Mumbai 400 007. The details of last 3 Annual General Meetings were as under:

Particulars	Date	Venue	Special Resolutions Passed
*75th Annual General Meeting	September 11, 2006 at 12.00 noon	Mumbai	1. Change of Name of the Company from 'Sanyei Corporation Limited' to 'IndiaNivesh Limited'
76th Annual General Meeting	September 17, 2007 at 12.00 noon	Mumbai	1. Appointment of Mr. Rajesh Nuwal as Managing Director 2. Approval of Inter Corporate Loans and Investments under Section 372A of the Companies Act, 1956. 3. Increase in limits for FII Investment upto 49%
77th Annual General Meeting	September 30, 2008 at 5.00 p.m.	Mumbai	1. Increase in Borrowing powers of the Company under Section 293(1)(d) of the Companies Act, 1956.

- \* There was a numbering error in the year 2003 wherein it was numbered as 71st Annual General Meeting, but in fact it was 72nd Annual General Meeting. The Company found the error in the previous year only. In order to ratify the error it was correctly numbered as 75th Annual General Meeting for the year 2005-2006.

No resolution was passed by postal ballot in the last year. No resolution is proposed to be passed by postal ballot at the ensuing AGM.

#### Disclosures

1. The Company has entered into related party transaction as set out in the notes to accounts, which are not likely to have a conflict with the Company's interest.
2. There were no material pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.
3. There were no material transactions of the Company with its promoters, directors, management or their relatives that may have potential conflict with the interest of the Company at large.
4. There were no penalties or strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets at any time during last 3 years.

#### MEANS OF COMMUNICATIONS

- a) Quarterly / Half yearly financial results of the company are forwarded to Bombay Stock Exchange Limited and published in Free Press Journal and Navshakti. Half yearly report is not sent to each household of shareholders. However, the results of the company are published in the newspapers.
- b) The Company has not made any presentation to any institutional investors or to any analysts during the year.
- c) The Company has a website which is under construction, and will be fully developed during the current financial year.

**GENERAL SHAREHOLDER INFORMATION**

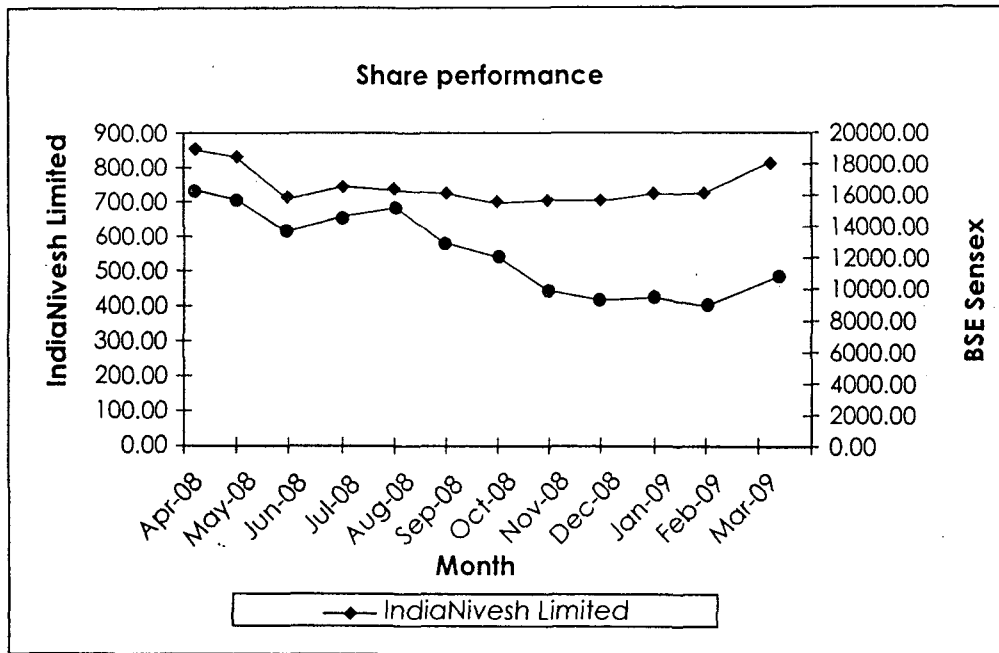
Annual General Meeting (Date, time and venue)	Thursday, December 31, 2009 at 5.00 p.m.601 & 602, Sukh Sagar, N.S. Patkar Marg, Girgaum Chowpatty, Mumbai 400 007.
Financial Year	2009-2010
Financial Calendar : 2009 – 2010	Adoption of Quarterly Results for Quarter ending : in the month of June 2009 : July 2009 September 2009 : October 2009 December 2009 : January 2010 March 2010 : June 2010 (Audited annual results)
Book Closure Date	Tuesday, December 29, 2009 to Thursday, December 31, 2009 (both days inclusive)
Dividend Payment Date	On or before January 31, 2010
Listing on Stock Exchange	Bombay Stock Exchange Limited (BSE) Listing fees have been paid upto the year ending March 31, 2010.
Stock Code	501700

**Stock price data at BSE**

Stock Price Data at BSE (Month wise)	High	Low
	Rs.	Rs.
April 2008	859.90	788.80
May 2008	868.75	800.00
June 2008	824.00	690.00
July 2008	845.00	502.00
August 2008	760.10	607.00
September 2008	707.80	580.10
October 2008	670.00	550.00
November 2008	648.00	600.00
December 2008	665.00	600.00
January 2009	663.00	638.00
February 2009	658.60	634.05
March 2009	646.75	535.25

**Graph**

-Share Price / BSE (Monthly Closing)



**Registrar & Share Transfer Agents**

The Company has appointed Adroit Corporate Services Private Limited ('Adroit') as its Registrar & Share Transfer Agents. Shareholders are advised to approach Adroit Corporate Services Private Limited on the following address for any shares related queries and problems:

Adroit Corporate Services Private Limited  
19/20, Jaferbhoy Industrial Estates,  
1<sup>st</sup> floor, Makwana Road,  
Marol Naka, Andheri (E),  
Mumbai 400 059  
Tel.: 022 - 2859 0942 / 2859 6060  
Fax: 022 - 2850 3748

**Share Transfer System**

The transfer of shares held in physical mode is processed by Adroit Corporate Services Private Limited and is approved by the Shareholders' / Investors' Grievance Committee of the Company. The transfer of shares is effected and share certificates are despatched within a period of 30 days from the date of receipt, provided that the relevant documents are complete in all respects.

**Dematerialisation**

All requests for Dematerialisation of shares are processed and the confirmation is given to the depositories i.e. National Securities Depository Limited (NSDL) as well as Central Depository Services (India) Limited (CDSL) within the stipulated time. Upto 31.3.2009, 99.50 % equity shares of the Company have been dematerialized.

- With NSDL	32,56,223
- With CDSL	<u>4,99,827</u>
Total No. of Shares dematerialized upto 31.03.2009	37,56,050

**OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS**

As of date, the Company has not issued these types of securities.

### Distribution of Shareholding

The broad shareholding distribution of the Company as on March 31, 2009 with respect to categories of investors was as follows :

Category of Investors	No. of Shareholders	No. of shares held	% of shareholding
Promoters	2	16,75,300	44.38
Foreign Company	-	-	-
Non Resident (Individual & Companies)	2	1,82,500	4.83
Foreign Institutional Investors	2	2,73,584	7.25
Financial Institutions	-	-	-
Nationalised banks	1	500	0.01
Mutual Fund	-	-	-
Resident Individuals	375	4,29,903	11.39
Other Bodies Corporate	115	11,99,183	31.77
Others (Trusts)	4	14,030	0.37
<b>Total</b>	<b>501</b>	<b>37,75,000</b>	<b>100.00</b>

The broad shareholding distribution of the Company as on March 31, 2009 with respect to size of holdings was as follows :

Range (No. of Shares)	No. of Shareholders	% of total shareholders	No. of Shares per Category	% of total shares
1 to 500	389	77.64	36,972	0.98
501 to 1000	12	2.40	9,815	0.26
1001 to 2000	18	3.59	23,951	0.63
2001 to 3000	5	1.00	12,019	0.32
3001 to 4000	7	1.40	24,869	0.66
4001 to 5000	9	1.80	41,724	1.10
5001 to 10000	22	4.39	1,72,045	4.56
10001 & Above	39	7.78	34,53,605	91.49
<b>Total</b>	<b>501</b>	<b>100.00</b>	<b>37,75,000</b>	<b>100.00</b>

### Address for Correspondence

Shareholders are requested to direct all share related correspondence to Adroit Corporate Services Private Limited and only non share related correspondence and complaints regarding Adroit Corporate Services Private Limited to the Compliance Officer at the registered office of the Company.

### DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

It is hereby affirmed that all the directors and the senior management personnel have complied with the Code of Conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

### AUDITOR'S CERTIFICATE

The Auditor's Certificate issued by M/s Dalal & Shah, Chartered Accountants, Statutory Auditors on compliance of the Corporate Governance requirements by the Company is annexed herewith.

On behalf of the Board of Directors

Place : Mumbai  
Date : June 30, 2009

**Rajesh Nuwal**  
Managing Director



**CERTIFICATE BY THE AUDITORS ON CORPORATE GOVERNANCE**

We have examined the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India for the financial year ended on March 31, 2009.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India.

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

Mumbai : June 30, 2009

For and on behalf of  
**DALAL & SHAH**  
Chartered Accountants

**SHISHIR DALAL**  
PARTNER  
Membership No. 37310

## REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of INDIANIVESH LIMITED as at 31<sup>st</sup> March, 2009, the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial Statements based on our audit.

1. We 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 management, as well as evaluating the overall financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion;
2. As required by the Companies (Auditors Report) Order, 2003 (CARO, 2003), (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a Statement on the matters specified in paragraph 4 and 5 of the said Order;
3. Further to our comments in the Annexure referred to in paragraph 2 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 appears from our examination of those books;
  - c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
  - d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement 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 31<sup>st</sup> March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009, from being appointed as a director in terms of Clause (g) of sub-section (l) 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 notes thereon give the information required by Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
  - (g) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
    - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - (iii) in the case of Cash Flow Statement of the cash flows for the year ended on that date.

For and on behalf of  
**DALAL & SHAH**  
Chartered Accountants

**SHISHIR DALAL** (Partner)  
Membership No : 37310

**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2009 OF INDIA NIVESH LIMITED :**

On the basis of such checks as we considered appropriate and in terms of Information and explanations given to us, we state that:-

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and Situation of fixed assets;
- (b) All the assets have been verified by the management during the year. No material discrepancies were noticed on such verification;
- (c) There has not been any significant disposal of fixed assets during the year.
- II. The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except to its subsidiaries. The terms and conditions and the rate of interest are prima facie not prejudicial to the interest of the Company. The aggregate amount outstanding as at the year end amounted to Rs.150 Lakh. The Company has taken loan on current account from bodies corporate covered under Section 301 of the Companies Act, 1956. The terms and conditions and the rate of interest are not prima facie prejudicial to the interest of the Company. The aggregate amount outstanding as at the end of the year amounted to Rs. 4521 Lakh.
- III. In our opinion and according to the information and explanations given to us, there are adequate internal control Systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets, there being no sale of goods and Services during the year. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control Systems.
- IV. According to the information and explanations given to us, the particulars of contracts or arrangement required to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered;
- V. The Company has not accepted deposits from the public;
- VI. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- VII. (a) The Company is regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Income-Tax, Service Tax and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of any statutory dues, etc., were in arrears as on the last day of financial year for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, Service tax, custom duty, and cess which has not been deposited on account of any dispute.
- VIII. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.

- IX. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;
- X. The Company has, in our opinion, maintained proper records of transactions and contracts with respect to its Investments, where timely entries of transactions have been made therein. All Investments at the close of the year are generally held in the name of the Company, except in few cases, where they are in the process of transfer or pending for rectification for bad deliveries;
- XI. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term Investment;
- XII. As per the information and explanations given to us on our enquiries on this behalf there were no frauds on or by the Company which have been noticed or reported during the year;

Considering the nature of activity being carried on, at present, by the Company and considering the nature of matters referred to in the various clauses of the Companies (Auditor's Report) Order, 2003, Clauses (ii), (v) (b), (viii), (xi), (xiii), (xv), (xvi), (xviii), (xix) & (xx), in our opinion, not applicable to the Company.

For and on behalf of  
**DALAL & SHAH**  
Chartered Accountants

**SHISHIR DALAL** (Partner)  
Membership No.37310

MUMBAI : 30<sup>th</sup> June 2009.

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
<b>I. SOURCES OF FUNDS</b>			
SHAREHOLDERS' FUNDS			
(a) Share Capital	"A"	37750000	37750000
(b) Reserves and Surplus	"B"	204032515	207125325
(c) <b>LOAN FUNDS</b>	"C"		
1) Unsecured Loans		452118302	381750363
(d) <b>DEFERRED TAX LIABILITIES</b>		104783	75122
<b>Total</b>		<u>694005600</u>	<u>626700810</u>
<b>II APPLICATION OF FUNDS</b>			
(1) <b>FIXED ASSETS</b>	"D"		
Gross Block		4307414	4307414
Less : Depreciation		1361239	1141453
Net Block		<u>2946175</u>	<u>3165961</u>
(2) <b>INVESTMENTS</b>	"E"	393909680	316939310
(3) <b>CURRENT ASSETS, LOANS AND ADVANCES</b>	"F"		
(a) Sundry Debtors		-	61998
(b) Cash and Bank Balances		266470088	2355482
(c) Loans and Advances		73300879	327154709
		<u>339770967</u>	<u>329572189</u>
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>	"G"		
(a) Current Liabilities		21993364	2566665
(b) Provisions		20959358	20785685
		<u>42952722</u>	<u>23352350</u>
<b>NET CURRENT ASSETS</b>		<u>296818245</u>	<u>306219839</u>
<b>MISCELLANEOUS EXPENDITURE</b> [To the extent not written off or adjusted]			
Share Issue Expenses		331500	375700
<b>Total</b>		<u>694005600</u>	<u>626700810</u>

Notes forming part of the Accounts  
As per our attached report of even date

"K"

For and on behalf of  
**Dalal & Shah**  
Chartered Accountants

**Anil Bafna**  
Chairman

**Shishir Dalal**  
Partner

**Dinesh Nuwal**  
Vice Chairman

**Rajesh Nuwal**  
Managing Director

Mumbai : June 30, 2009

**Hemant Panpalia**  
Director

**Jinesh Doshi**  
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Schedule	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
<b>INCOME</b>			
Interest Received		23682979	31080294
Profit on Sale of Investments & Assets		15780232	38266787
Other Income	"H"	29077	759827
<b>Total</b>		<u>39492288</u>	<u>70106908</u>
<b>EXPENDITURE</b>			
Administrative and Other Expenses	"I"	1372487	2152327
Payment to Employees	"J"	1785432	1004464
Interest Paid		34552726	27600711
Depreciation		219786	249891
<b>Total</b>		<u>37930431</u>	<u>31007393</u>
Profit before taxation		1561857	39099515
Less : Provision for Taxation			
Provision for taxation		175000	4500000
Provision for FBT		17797	15357
Provision for Deferred taxation		29661	34338
Profit after taxation		1339399	34549820
Income Tax for earlier Year		15648	-
		1323751	34549820
Add: Balance brought forward from previous year		94285751	83350561
Amount available for appropriations		95609502	117900381
Less: Transfer to General Reserve		133940	3454982
Less: Transfer to Statutory Reserve Fund		267880	6909964
Interim Dividend		-	7550000
Proposed Dividend:		3775000	3775000
Corporate Dividend tax		641561	1924684
Balance carried to Balance Sheet		<u>90791121</u>	<u>94285751</u>
Basic and diluted earnings per share (Rs.) (refer note : 3)		0.35	9.15

Notes forming part of the Accounts  
As per our attached report of even date

"K"

For and on behalf of  
**Dalal & Shah**  
Chartered Accountants

**Anil Bafna**  
Chairman

**Shishir Dalal**  
Partner

**Dinesh Nuwal**  
Vice Chairman

**Rajesh Nuwal**  
Managing Director

Mumbai : June 30, 2009

**Hemant Panpalia**  
Director

**Jinesh Doshi**  
Company Secretary

**'SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

	Year Ended 31-Mar-09 Rupees	Year Ended 31-Mar-08 Rupees
<b>SCHEDULE "A" : SHARE CAPITAL</b>		
Authorised : 5060000 (5060000) Equity shares of Rs.10/- each	50600000	50600000
Issued and Subscribed : 3775000 (3775000) Equity shares of Rs.10/- each fully paid up (of the above, 1675300 Equity shares of Rs. 10/-each are held by Sneh Shares & Securities Private Limited, the Promoter company)	37750000 <u>37750000</u>	37750000 <u>37750000</u>
<b>SCHEDULE "B" : RESERVES &amp; SURPLUS</b>		
Capital Redemption Reserve : Balance as per last Balance Sheet	350000	350000
General Reserve : Balance as per last Balance Sheet Addition during the year	10592110 <u>133940</u>	10592110
Statutory Reserve Fund : Balance as per last Balance Sheet Addition during the year	6909964 <u>267880</u>	6909964
Share Premium A/c.	94987500	94987500
Balance in Profit and Loss Account	90791121 <u>204032515</u>	94285751 <u>207125325</u>
<b>SCHEDULE "C" : LOAN FUNDS</b>		
UNSECURED		
From a Body Corporate- Due on Current Account	452118302 <u>452118302</u>	381750363 <u>381750363</u>

**SCHEDULE "D" : FIXED ASSETS**

Description	Rate	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		As at 1-Apr-08 Rupees	Additions during the year Rupees	Deductions during the year Rupees	As at 31-Mar-09 Rupees	As at 1-Apr-08 Rupees	For the year Rupees	Deductions during the year Rupees	As at 31-Mar-09 Rupees	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
Office Premises	5%	28,80,410	-	-	28,80,410	277408	130150	-	407558	2472852	2603002
Computers	40%	6,20,000	-	-	6,20,000	576579	17368	-	593947	26053	43421
Generator	13.91%	7,70,504	-	-	7,70,504	278880	68385	-	347265	423239	491624
A. C.	13.91%	36,500	-	-	36,500	8586	3883	-	12469	24031	27914
Total		43,07,414	0	0	43,07,414	1141453	219786	0	1361239	2946175	3165961
Previous Year		43,07,414	0	-	43,07,414	891562	249891	-	1141453	3165961	3415852

		Year Ended 31-Mar-09 Rupees	Year Ended 31-Mar-08 Rupees
<b>SCHEDULE "E" : LONG TERM INVESTMENT (AT COST)</b>			
<b>Quoted (Investment)</b>			
1371417(1371417)	Bajaj Hindustan Sugar & Industries Ltd Equity Shares of Rs. 1/- each, fully paid up.	69835169	69835169
9(9)	Reliance Indl. Infra Ltd Equity Shares of Rs. 10/- each, fully paid up.	5051	5050
6039(6039)	New Standard Engg. Co. Ltd. Equity Shares of Rs. 10/- each, fully paid up.	9120843	9120843
897069(Nil)	Resurgere Mines & Mineral Ltd. Equity Shares of Rs. 10/- each, fully paid up.	83809384	-
		<u>162770447</u>	<u>78961062</u>
	In Subsidiary Company		
<b>Quoted</b>			
12228030(12228030)	Luminaire Technologies Limited Equity Shares of Rs. 1/- each, fully paid up.	10936233	10936233
		<u>10936233</u>	<u>10936233</u>
	<b>Total Quoted Investments</b>	<u>173706680</u>	<u>89897295</u>
<b>Unquoted</b>			
13000000(13000000)	IndiaNivesh Securities Private Limited Equity Shares of Rs. 10/- each, fully paid up.	220000000	220000000
10000(10000)	Siddhi Multi-trade Private Limited Equity Shares of Rs. 10/- each, fully paid up.	100000	100000
10300(10300)	IndiaNivesh Management Consultants Pvt. Ltd. Equity Shares of Rs. 10/- each, fully paid up.	103000	103000
Nil (10000)	Krishandeep Marketing Services Private Limited Equity Shares of Rs. 10/- each, fully paid up.	-	100000
		<u>220203000</u>	<u>220303000</u>
	<b>Total Subsidiary Investment</b>	<u>231139233</u>	<u>231239233</u>
<b>Other Investment</b>			
<b>Unquoted</b>			
Nil(129387)	Madhya Pradesh Stock Exchange Ltd. Equity Shares of Rs. 10/- each, fully paid up.	-	4535015
Nil(14500)	Vadodara Stock Exchange Ltd. Equity Shares of Rs. 10/- each, fully paid up.	-	2204000
		<u>-</u>	<u>6739015</u>
	<b>Total Unquoted Investments</b>	<u>220203000</u>	<u>227042015</u>
	<b>Total Investments</b>	<u>393909680</u>	<u>316939310</u>

Notes :

Market Value of Quoted & Unquoted Shares.

	Book Value as at		Market Value as at	
	31-Mar-2009	31-Mar-2008	31-Mar-2009	31-Mar-2008
Quoted Investment	173706680	89897295	104160065	129651688
Unquoted Investment	220203000	227042015	220203000	227042015
	<u>393909680</u>	<u>316939310</u>	<u>324363065</u>	<u>356693703</u>



	Year Ended 31-Mar-09 Rupees	Year Ended 31-Mar-08 Rupees
<b>SCHEDULE "F" : CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. Sundry Debtors (Unsecured considered good)</b>		
Over Six Months	61998	
Others	-	61998
<b>B. Cash and bank balance :</b>		
With scheduled Bank:		
On current account	76234	170206
On Fixed Deposit	265872012	2000000
On unpaid dividend account	450059	92687
Cash in Hand	71783	92589
	<u>266470088</u>	<u>2355482</u>
<b>C. Loans and advances : (Unsecured considered good)</b>		
IndiaNivesh Securities Pvt.Ltd.(Subsidiary Company) (Maximum balance during the period Rs.163000000, previous year Rs.163000000)	15000000	163000000
Krishandeep Marketing Services Pvt.Ltd.(Subsidiary Company) (Maximum balance during the period Rs.37170826, previous year Rs.37170826/-)	-	37170826
Loans to Others	40433	2759506
Advance Income Tax	29483101	24182735
Advances recoverable in cash or in - kind or for value to be received	11030000	99794297
Deposits with DSCX	238078	238078
Share Application Money Paid	17509267	9267
	<u>73300879</u>	<u>327154709</u>
	<u>339770967</u>	<u>329572189</u>
<b>SCHEDULE "G" : CURRENT LIABILITIES AND PROVISIONS</b>		
a) Current Liabilities :		
Unclaimed amount for redemption of- Preference shares	4400	4400
Advance Rent Received	274500	274500
Unclaimed Dividend	449419	91746
Sundry Creditors	15000000	1808
Sundry Creditors for Exp.	384975	30896
TDS Payable	5880070	2163315
	<u>21993364</u>	<u>2566665</u>
b) Provisions :		
Provision for Taxation	16540000	16365000
Provision for FBT	2797	4124
Proposed Dividend	3775000	3775000
Corporate Dividend Tax	641561	641561
	<u>20959358</u>	<u>20785685</u>
	<u>42952722</u>	<u>23352350</u>
<b>SCHEDULE "H" : OTHER INCOME</b>		
Rent Recd.	-	579500
Dividend	29077	180327
	<u>29077</u>	<u>759827</u>

	Year Ended 31-Mar-09 Rupees	Year Ended 31-Mar-08 Rupees
<b>SCHEDULE "I" :ADMINISTRATIVE AND OTHER EXPENSES</b>		
Audit fees	117605	69199
Legal & Professional charges	53501	555319
Miscellaneous Expenses	1201381	1527809
	<u>1372487</u>	<u>2152327</u>
<b>SCHEDULE "J" :PAYMENT TO AND PROVISION FOR EMPLOYEES</b>		
Salary	597420	106734
Staff Welfare	-	120
Director's Remuneration	1188012	897610
	<u>1785432</u>	<u>1004464</u>

**SCHEDULE "K" : NOTES TO ACCOUNTS**

1. Significant Accounting Policies & Notes to Accounts:

A. Significant Accounting Policies

1. **SYSTEM OF ACCOUNTING** : Company follows accrual system of accounting.
2. **FIXED ASSETS** : Fixed Assets are stated at cost of acquisition less accumulated depreciation. Depreciation on all assets is provided on WDV method as per rates prescribed in schedule XIV of the Companies Act, 1956.
3. **TAXATION** : Provisions for taxation comprises of current tax and deferred tax charge or release and Fringe Benefit Tax. Deferred tax is recognised subject to consideration of prudence on timing difference, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets arising out of carry forward losses and unabsorbed depreciation are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised.
4. **INVESTMENT** : Long term investments are stated at cost. Provision for diminution in the value of investments is made only if such a decline is other then temporary in the opinion of the management.
5. **INVENTORIES**: Inventories are valued at cost or net realisable value whichever is lower (determined on weighted/ moving average basis)
6. **FOREIGN CURRENCY TRANSACTION** : Recorded on the basis of exchange rate prevailing on the date of their occurrence. Monetary foreign currency assets and liabilities outstanding at the close of the year are revalorised at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the profit and loss account.
7. **EMPLOYEE BENEFIT**: Company does not have any benefits plans to its employee so far.

8. **CONTINGENT LIABILITIES:** Contingent liabilities are not provided for in the accounts and are separately disclosed in the Notes on Accounts.

**B. Notes to Accounts :**

1. Contingent Liabilities: -

- a. Income-Tax demand disputed Rs. Nil (Previous Rs. 1,54,558/-)
- b. Corporate Guarantee given to HDFC Bank Limited on behalf IndiaNivesh Securities Pvt.Ltd., a subsidiary company of IndiaNivesh Limited for Rs. 7,50,00,000/- (Previous Rs. 5,00,00,000)

2. Previous years figures are regrouped / rearranged wherever necessary.

3. Earning per Share:

	31.3.2009	31.3.2008
Profit/ (Loss) After Tax (Rs.)	13,39,399/-	3,45,49,821/-
Weighted average number of equity shares outstanding	37,75,000	37,75,000
Nominal Value per equity share (Rs.)	10/-	10/-
Basic and diluted earning per share (Rs.)	0.35	9.15

4. Payment to Auditors :

	31st March, 2009	31st March, 2008
Audit Fees	66,180/-	28,090/-
Certification & Other Matters	51,425/-	42,651/-
Total	1,17,605/-	69,199/-

5. Managerial Remuneration under section 198 of the Companies Act, 1956:

Managing Director	31st March, 2009	31st March, 2008
Salary	6,00,000/-	4,53,333/-
Allowances & Perquisites	5,88,012/-	4,44,277/-
Total	11,88,012/-	8,97,610/-

6. Segmental Reporting: - Segmental Reporting: - As the Company presently operates predominantly in only under single activity namely Investments, the reporting under segment information is not applicable.

7. Income Tax assessment is completed up to A.Y. 2006-2007 and there is no further liability in this regard, other than those already disclosed under contingent liability above.

8. There are no dues owed to Micro, Small and Medium undertakings as defined under the Micro, Small and Medium Enterprises Development Act, 1996.

9. Information required by paragraph 3 and 4 of part II of schedule VI of the Companies Act :

- i. Sales, production, material consumed, opening stock, purchases, closing stocks :  
Nil (Previous Year: Nil)
- ii. CIF value of imports : Nil (Previous Year: Nil)
- iii. Expenditure in foreign currency : Nil (Previous Year: Nil)
- iv. Earning in foreign currencies : Nil (Previous Year: Nil)

10. Estimated amount of contracts remaining to be executed on capital accounts: - NIL. (Previous Year: Nil)
11. Disclosures in receipt of derivative instruments:  
 (i) Derivative instrument outstanding as at 31st March 2009 – Nil.  
 (ii) Foreign Currency exposures that are not hedged by derivative instrument as at 31st March 2009 - Nil
12. Cash flow statement for the year ended 31st March 2009 is given in the statement annexed to these accounts as annexure.
13. Related Party Disclosures:  
 (a) Relationship :-  
 (i) Subsidiaries / Associates Company:  
 1) Sneh Shares & Securities Pvt. Ltd. – Erstwhile Holding Company, Promotor Company  
 2) IndiaNivesh Securities Pvt. Ltd. - Subsidiary  
 3) Siddhi Multi-Trade Pvt. Ltd. - Subsidiary  
 4) IndiaNivesh Management Consultants Pvt. Ltd. - Subsidiary  
 5) Luminaire Technologies Limited- Subsidiary  
 (ii) Key Managerial Personnel:  
 1) Rajesh Nuwal – Managing Director

**Note :** Related party relationship is as identified by the Company and relied upon by the Auditors.

- (b) Details of transaction with the related parties referred in (a) above

Sr. No.	Nature of transactions	a(i) Above	a(ii) above
01	i) Loan Taken	Nil	Nil
	ii) Loan Given	1,50,00,000/-	Nil
02	Purchase	7,79,62,218/-	Nil
03	Sale	2,25,18,810/-	Nil
04	Investment	Nil	Nil
05	Reimbursement of Expenses	5,24,811/-	Nil
06	Rent	1,08,000/-	Nil
07	Interest Received	24,83,019/-	Nil
08	Remuneration Paid	Nil	11,88,012/-

Outstanding balance as the close of the year:

As Creditors

1,48,825/-

Nil

14. Component of Deferred Tax assets/Liabilities are as under :

Deferred Tax	31st March, 2009	31st March, 2008
Liabilities/(Assets) (Net)		
On account of difference in depreciation as per income tax & books.	1,04,783/-	75,122/-

15. Special Reserve Fund has been created @ 20% of the net profit for the year as provided by Section 45I(C) of the Reserve Bank of India Act, 1934.
- 

As per our attached report of even date

For and on behalf of  
**Dalal & Shah**  
Chartered Accountants

**Shishir Dalal**  
Partner

Mumbai : June 30, 2009

**Dinesh Nuwal**  
Vice Chairman

**Hemant Panpalia**  
Director

**Anil Bafna**  
Chairman

**Rajesh Nuwal**  
Managing Director

**Jinesh Doshi**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	2008-2009 Rupees	2007-2008 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) Before Tax extra- Ordinary items	1561857	39099515
Adjustments for :		
Depreciation	219786	249891
Profit on Sale of Investment	(15780232)	(38266787)
Miscellaneous w/off	44200	22100
Profit on sale of assets	-	-
<b>Cash inflow/(Outflow) before working capitals charges</b>	<b>(13954389)</b>	<b>1104719</b>
Adjustments for :		
(Increase)/ Decrease in Other Current Assets	253915828	(115309656)
(Decrease)/Increase in Current liabilities	19426699	(828463)
<b>Cash used in operating activities</b>	<b>259388138</b>	<b>(115033400)</b>
Direct Taxes (paid)/Tax Refund received.	(34773)	(11018161)
Net cash used in operating activities	"A" <u>259353365</u>	<u>(126051561)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Profit on sale of Investment	15780232	38266787
Acquisition of fixed assets	-	-
Sale of fixed assets	-	-
Investments in Subsidiary	100000	(181089233)
Investments in others	(77070370)	44917263
Net cash from investing activities	"B" <u>(61190138)</u>	<u>(97905183)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITES</b>		
Issue of Shares	-	-
Unsecured Loans	70367939	241780362
Dividend paid	(3775000)	(15100000)
Corporate dividend tax	(641561)	(2566246)
Net cash used in financing activities	"C" <u>65951378</u>	<u>224114116</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>264114606</b>	<b>157374</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Opening	2355482	2198108
Closing	266470088	2355482
<b>NET INCREASE AS DISCLOSED ABOVE</b>	<b>264114606</b>	<b>157374</b>

Note: 1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.  
2. Direct taxes paid is shown under operating activities and not allocated to investing and financing activities.

As per our attached report of even date

For and on behalf of  
**Dalal & Shah**  
Chartered Accountants

**Anil Bafna**  
Chairman

**Shishir Dalal**  
Partner

**Dinesh Nuwal**  
Vice Chairman

**Rajesh Nuwal**  
Managing Director

Mumbai : June 30, 2009

**Hemant Panpalia**  
Director

**Jinesh Doshi**  
Company Secretary



	(iii) Hypothecation loans counting towards EL/HP activities : (a) Loans where assets have been repossessed (b) Loans other than (a) above						
(5)	<b>Break-up of Investments :</b> 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 (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 - Immovable property (vi) Others-Share Application Money						
(6)	<b>Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :</b>						
	Category	31-03-2009 Amount net of provisions			31-03-2008 Amount net of provisions		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	1. Related Parties						
	(a) Subsidiaries	-	15,000,000	15,000,000	-	254,965,123	254,965,123
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
	2. Other than related parties	-	11,308,511	11,308,511	-	47,997,584	47,997,584
	Total	-	26,308,511	26,308,511	-	302,962,707	302,962,707



(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
Category	31-03-2009		31-03-2008	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	264,590,749	231,139,233	284,133,317	231,239,233
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	59,772,316	162,770,447	72,560,386	85,700,077
<b>Total</b>	<b>324,363,065</b>	<b>393,909,680</b>	<b>356,693,703</b>	<b>316,939,310</b>
(8) Other information				
Particulars	31-03-2009		31-03-2008	
	Amount		Amount	
(i) Gross Non-performing Assets				
(a) Related parties	-	-	-	-
(b) Other than related parties	-	-	-	-
(ii) Net Non-performing Assets				
(a) Related parties	-	-	-	-
(b) Other than related parties	-	-	-	-
(iii) Assets acquired in satisfaction of debt	-	-	-	-

Notes forming part of the Accounts  
As per our attached report of even date

For and on behalf of  
**Dalal & Shah**  
Chartered Accountants

**Shishir Dalal**  
Partner

Mumbai : December 8, 2009

**Dinesh Nuwal**  
Vice Chairman

**Hemant Panpalia**  
Director

**Anil Bafna**  
Chairman

**Rajesh Nuwal**  
Managing Director

**Jinesh Doshi**  
Company Secretary

**Balance Sheet Abstract And Company's General Business Profile as per Part IV to Schedule VI to the companies Act, 1956.**

**I. Registration Details**

Registration No.  State Code

Balance Sheet Date

**II. Capital raised during the Year (Amount in Rs. Thousands)**

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

**III. Position of Mobilisation and deployment of Funds: (Amount in Rs. Thousands)**

Source of Funds:	Total Liabilities	<input type="text" value="736958"/>	Total Assets	<input type="text" value="736958"/>
	Paid up Capital	<input type="text" value="37750"/>	Reserves & Surplus	<input type="text" value="204033"/>
	Secured Loans	<input type="text" value="NIL"/>	Unsecured Loans	<input type="text" value="452118"/>
Application of Funds:	Net Fixed Assets	<input type="text" value="2946"/>	Investment	<input type="text" value="393910"/>
	Net Current Assets	<input type="text" value="296818"/>	Misc. Expenditure	<input type="text" value="332"/>
	Accumulated Losses	<input type="text" value="NIL"/>		

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover (including other income)	<input type="text" value="39492"/>	Total Expenditure	<input type="text" value="37930"/>
Profit(+)/Loss(-) Before Tax	<input type="text" value="1562"/>	Profit(+)/Loss(-) After Tax	<input type="text" value="1339"/>
Earnings per share in Rs.	<input type="text" value="0.35"/>	Dividend (%)	<input type="text" value="10"/>

**V. Generic Names of Three Principal Products of Company (as per monetary terms)**

Item Code No. (ITC Code)	Product Description
<input type="text" value="N.A."/>	<input type="text" value="Financial Activities"/>

**Anil Bafna**  
Chairman

**Dinesh Nuwal**  
Vice Chairman

**Rajesh Nuwal**  
Managing Director

**Hemant Panpalia**  
Director

**Jinesh Doshi**  
Company Secretary

Mumbai : June 30, 2009

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANY**

Name of the Subsidiaries : IndiaNivesh Securities Private Limited (INSPL)  
Siddhi Multi-Trade Private Limited (SMTPL)  
IndiaNivesh Management Consultants Private Limited (INMCPL)  
Luminaire Technologies Limited (LTL)  
IndiaNivesh TV Networks Pte. Ltd. (Singapore) (INTVPL)

Financial Year of the Subsidiary Companies end on : March 31, 2009

[Rs.: in Lakhs]

	INSPL	SMTPL	INMCPL	LTL	INTVPL
1. The Paid-up Capital of subsidiaries held by IndiaNivesh Limited	1,300.00 (100.00%)	1.00 (100.00%)	1.03 (100.00%)	122.28 (50.95%)	Nil (0.00%)
2. The net aggregate amount, so far as it concerns members of IndiaNivesh Limited and is not dealt in the Company's accounts, of the subsidiaries profit / (loss) after deducting losses					
i) for subsidiaries financial year ending March 31, 2009	(388.94)	(2.00)	1.04	(129.53)	(30.12)
ii) for subsidiaries previous financial years since it became subsidiary of IndiaNivesh Ltd.	397.58	4.08	15.42	(25.61)	(1.72)
3. The net aggregate amount of the profits of the subsidiary after deducting losses so far as those profits are dealt with in the books of accounts of IndiaNivesh Ltd.					
i) for subsidiaries financial year ending March 31, 2009	NIL	NIL	NIL	NIL	NIL
ii) for subsidiaries previous financial years since it became subsidiary of IndiaNivesh Limited	NIL	NIL	NIL	NIL	NIL

**Anil Bafna**  
Chairman

**Dinesh Nuwal**  
Vice Chairman

**Rajesh Nuwal**  
Managing Director

**Hemant Panpalia**  
Director

**Jinesh Doshi**  
Company Secretary

Mumbai : December 8, 2009

**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS  
OF INDIANIVESH LIMITED**

To  
**THE BOARD OF DIRECTORS  
INDIANIVESH LIMITED  
MUMBAI**

We have audited the attached Consolidated Balance Sheet of INDIANIVESH LIMITED ("the Company") as at 31st March, 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.

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. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit financial statements of subsidiaries whose financial statements reflect total Assets of Rs. 6228.66 Lakhs as at 31st March, 2009 and total revenue of Rs. 593.70 Lakhs. 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 the amounts included in respect of these entities, is based solely on the reports of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS)21, "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of IndiaNivesh Limited and its consolidated entities included in the consolidated financial statements.

We report that on the basis of the information and explanations given to us and on the consideration of separate audit reports on the individual audited financial statements of the Company and its consolidated entities, 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 :-

- (a) in case of Consolidated Balance Sheet, of the Consolidated State of Affairs of the Company and its consolidated entities as at 31st March, 2009;
- (b) in case of the Consolidated Profit and Loss Account, of the Consolidated results of the operations of the Company and its consolidated entities for the year then ended; and
- © in case of the Consolidated Cash Flow Statement of the Cash Flow of the Company and its consolidated entities for the year then ended.

For and on behalf of  
**DALAL & SHAH**  
Chartered Accountants

**SHISHIR DALAL**  
Partner  
Membership No.37310

MUMBAI : 30th June 2009.

CONSOLIDATED BALANCE SHEET AS AT 31TH MARCH 2009

	Schedule	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
<b>I. SOURCES OF FUNDS</b>			
SHAREHOLDERS' FUNDS			
(a) Share Capital	"A"	37750000	37750000
(b) Reserves and Surplus	"B"	144980932	210972570
(c) Minority interest		2600757	10431637
(d) LOAN FUNDS	"C"		
Secured Loans		46333981	40330418
Unsecured Loans		748093089	596312601
(e) DEFERRED TAX LIABILITIES (NET)		2492304	2024944
<b>Total</b>		<u>982251063</u>	<u>897822170</u>
<b>II APPLICATION OF FUNDS</b>			
(a) FIXED ASSETS	"D"		
Gross Block		287434027	276073674
Less : Depreciation		20602540	11385407
Net Block		<u>266831487</u>	<u>264688267</u>
(b) INVESTMENTS	"E"	300221592	172483632
(c) CURRENT ASSETS, LOANS AND ADVANCES	"F"		
(a) Sundry Debtors		105233264	225212796
(b) Cash and Bank Balances		351210526	440755528
(c) Loans and Advances		176834004	216380384
(d) Closing Stock		2325288	-
(e) Other Current assets		-	-
		<u>635603082</u>	<u>882348708</u>
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>	"G"		
(a) Current Liabilities		182180839	382344324
(b) Provisions		40145106	40930242
		<u>222325945</u>	<u>423274566</u>
<b>NET CURRENT ASSETS</b>		<u>413277137</u>	<u>459074142</u>
<b>MISCELLANEOUS EXPENDITURE</b>			
[To the extent not written off or adjusted]			
Share Issue Expenses	"H"	1920847	1576129
<b>Total</b>		<u>982251063</u>	<u>897822170</u>

Notes forming part of the Accounts  
As per our attached report of even date

"K"

For and on behalf of  
**Dalal & Shah**  
Chartered Accountants

**Anil Bafna**  
Chairman

**Shishir Dalal**  
Partner

**Dinesh Nuwal**  
Vice Chairman

**Rajesh Nuwal**  
Managing Director

**Hemant Panpalia**  
Director

**Jinesh Doshi**  
Company Secretary

Mumbai : December 8, 2009

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

	Schedule	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
<b>INCOME</b>			
Profit on Sale of Investments & Assets		437	38266787
Profit on Sales of Yarn Scrap		-	116869
Profit on Sale of Plant & Machinery		-	1007708
Share of loss from associates		-	-
Sales		-	565528
Interest Income		38677748	55787435
Other Income	"I"	2519998	2050536
Brokerage, Commission & Fees		40763159	73878012
Exchange Diffirnce		1120994	107084
Closing Stock		-	-
<b>Total</b>		<u>- 83082336</u>	<u>171779959</u>
<b>EXPENDITURE</b>			
Purchase		-	-
Administrative and Other Expenses	"J"	31132239	30013886
Payment to Employees	"K"	17683826	-
Interest Paid		53128576	37006438
Depreciation		9217134	5897638
Loss on Sale of Assets / Shares		39662532	638031
<b>Total</b>		<u>150824307</u>	<u>73555993</u>
Profit / (Loss) before taxation		(67741972)	98223966
Less: Provision for Taxation			
Provision for taxation		224403	24536837
Provision for FBT		239142	172054
Prior Period Expenses		721161	180208
Provision for Deferred taxation		467360	(128819)
Income Tax for Previous year		17150	17293
Profit after taxation		<u>(69411188)</u>	<u>73446393</u>
Less : Minority Interst		-	-
Income attributed to consolidated group		(69411188)	73446393
Add: Balance brought forward from previous year		96503081	45151047
Add: Balance B\of Subsidiaries acquired\seized during the year		5,231	179909
Amount available for appropriations		27097125	118777349
Less : Minority Interest		(7830880)	(1340363)
Less: Transfer to General Reserve		133940	3454982
Less: Transfer to Statuary Reserve Fund		267880	6909964
Interim Dividend		-	7550000
Proposed Dividend		3775000	3775000
Corporate Dividend tax		641561	1924684
Balance carried to Balance Sheet		<u>30109624</u>	<u>96503082</u>
Basic and diluted earnings per share (Rs.) (refer note : 3)		(18.39)	19.46

Notes forming part of the Accounts "L"  
As per our attached report of even date

For and on behalf of  
**Dalal & Shah**  
Chartered Accountants

**Shishir Dalal**  
Partner

Mumbai : December 8, 2009

**Dinesh Nuwal**  
Vice Chairman

**Hemant Panpalia**  
Director

**Anil Bafna**  
Chairman

**Rajesh Nuwal**  
Managing Director

**Jinesh Doshi**  
Company Secretary

**'SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
<b>SCHEDULE "A" : SHARE CAPITAL</b>		
Authorised :		
5060000 (5060000) Equity shares of Rs.10/- each	<u>50600000</u>	<u>50600000</u>
Issued and Subscribed :		
3775000 (3775000) Equity shares of Rs.10/- each fully paid up (out of the above, 1675300 Equity shares of Rs.10/- each are held by Sneh Share & Securities Private Limited, the promoter Company)	37750000	37750000
Share Application Money :-	<u>-</u>	<u>-</u>
	<u>37750000</u>	<u>37750000</u>
<b>SCHEDULE "B" : RESERVES &amp; SURPLUS</b>		
Capital Redemption Reserve :		
Balance as per last Balance Sheet	350000	350000
General Reserve :		
Balance as per last Balance Sheet	10592110	7137128
Add: Balance brought forward of Subsidiaries acquired during the year	338146	338146
Addition during the year	<u>133940</u>	<u>3454982</u>
Capital Reserve	1291768	1291768
Statuary Reserve Fund:		
Balance as per last Balance Sheet	6909964	-
Addition during the year	<u>267880</u>	<u>6909964</u>
Share Premium A/c.	94987500	94987500
Profit of subsidiary of Sale of Assets Balance in Profit and Loss Account	<u>30109624</u>	<u>96503082</u>
	<u>144980932</u>	<u>210972570</u>
<b>SCHEDULE "C" : LOAN FUND</b>		
Secured Loan		
13.50% Secured Redeemable Debentures From Bank	<u>46333981</u>	<u>40330418</u>
	<u>46333981</u>	<u>40330418</u>
Unsecured Loan		
From a Body Corporate- Due on Current Account	748093089	596312601
From Subsidiary Company	-	-
From Promoter Company	-	-
	<u>748093089</u>	<u>596312601</u>

SCHEDULE "D" : FIXED ASSETS

Name of Assets	Rate	GROSS BLOCK AT COST				DEPRECIATION					NET BLOCK	
		As on 31-Apr-08	Additions during the year	Deduction/ Adj. during the year	As on 31-Mar-09	Upto 1-Apr-08	Depreciation on Assets of Subsidiaries	Provided during the year	Deduction	Upto 31-Mar-09	As on 31-Mar-09	As on 31-Mar-08
<b>Fixed Assets</b>												
Air Conditioner	13.91%	508502	516910	-	1025412	83501	118177	3883		205561	819851	425001
Computer	40.00%	16205222	5526485	-	21731707	5482762	5696690	17368		11196820	10534887	10722459
Elect.Instalation	13.91%	733498	21377	-	754875	97612	91024			188636	566239	635886
Furniture & Fixtures	18.10%	4239519	2888813	-	7128332	532235	1022656			1554891	5573441	3707284
Office Equipments	13.91%	4867353	1736971	-	6604324	1782452	740117			2522569	4081755	3084901
Generator		770504	-	-	770504	278880		68385		347265	423239	491624
Plant & Machinery		852750	926959	531900	1247809	21480	211248			232728	1015081	831270
Office Premises	5%	23700655	-	-	23700655	2284849	940640	130150		3355639	20345016	21415806
Vehicle		1620669	449946	-	2070615	817392	147910			965302	1105313	803,277
Sign Board		109688	96373	-	206061	4243	28886			33129	172932	105,445
<b>CWIP</b>												
Building & Land		184799999	37393734	-	222193733	-	-	-		-	222193733	184799999
Investment in Debts		37665315	3,504,140	41169455	-	-	-	-		-	0	37665315
			1113279	1113279								
<b>Total</b>		<b>276073674</b>	<b>54174987</b>	<b>42814634</b>	<b>287434027</b>	<b>11385406</b>	<b>8997348</b>	<b>219786</b>	<b>-</b>	<b>20602540</b>	<b>266831487</b>	<b>264688267</b>
Previous Year		202322288	95011011	21,259,625	276073674	2075659	4153379	5897638	741,269	11385407	264688267	200246629



		As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
<b>SCHEDULE "E" : LONG TERM INVESTMENT (AT COST)</b>			
<b>Quoted (Trade)</b>			
1371417(1585544)	Bajaj Hindustan Sugar & Industries Ltd	69835169	69835169
9(52340)	Reliance Indl. Infra Ltd	5051	
5050	6039(6039)New Standard Engg. Co. Ltd.	9120843	9120843
897069(Nil)	Resurgere Mines & Mineral Ltd.	83809384	-
5000(Nil)	Equity Shares of Archies Greeting		
3886(Nil)	Equity Shares of Asian Electronics		
1000(1000)	Equity Shares of Bajaj Hindustan Ltd	502059.31	502059
2138471(Nil)	Bajaj Hindustan Sugar & Industries Ltd		
Nil(133200)	Equity Shares of Winfarm Agroindustries Ltd	-	1332000
Nil(25000)	Equity Shares of Diamond Cable	-	8507542
950(950)	Equity Shares of Empire Industries	613575.46	613575
250(250)	Equity Shares of Feroz Alloys	9013.76	9014
Nil(36000)	Equity Shares of Gayatri Projects	-	15506189
440(440)	Equity Shares of Grasim Industries	1338359.91	1338360
Nil(70000)	Equity Shares of Gujarat Heavy Chem	-	7996465
52258(Nil)	Equity Shares of New Standard Engg. Co. Ltd.	23283977	
223923(Nil)	Equity Shares of Oudh Sugar Mills		
5000(Nil)	Equity Shares of Pantalbdvr		
Nil(5000)	Equity Shares of Monnet Ispat	-	2507520
498165(Nil)	Equity Shares of Provogue India Ltd.	42043445	-
800(Nil)	Equity Shares of Ranbaxy Lab	173484	
34472(Nil)	Equity Shares of Resurgere Mines & Minerals Ltd.	2359775.32	-
Nil(86392)	Equity Shares of Tata Sponge Iron	-	21532433
200597(200597)	Equity Shares of Uflex Industries	26717897.9	26717898
		<u>259812035</u>	<u>165524117</u>
<b>In Subsidiary Company</b>			
<b>Quoted</b>			
12228030(NIL)	Luminairy Technologies Limited		-
	Equity Shares of Rs. 1/- each, fully paid up.		
<b>Unquoted</b>			
13000000(13000000)	IndiaNivesh Securities Private Limited		-
	Equity Shares of Rs. 10/- each, fully paid up.		
10000(10000)	Siddhi Multi-trade Private Limited		-
	Equity Shares of Rs. 10/- each, fully paid up.		
0300(5000)	IndiaNivesh Management Consultants Pvt. Ltd.		-
	Equity Shares of Rs. 10/- each, fully paid up.		
Nil(10000)	Krishandeep Marketing Services Private Limited		-
	Equity Shares of Rs. 10/- each, fully paid up.		
<b>Total Investments in Subsidiary Company</b>			
<b>Other Investment in Shares</b>			
10(10)	Equity Shares of Sukh Sagar Premises -	500	500
	Co-op.Society Limited	-	
129387(129387)	Madhya Pradesh Stock Exchange Ltd.	4535015	4535015
	Equity Shares of Rs. 10/- each fully paid up	-	

	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
14500(14500) Vadodara Stock Exchange Ltd. Equity Shares of Rs. 10/- each, fully paid up.	2204000	2204000
Nil(200) Amazon Steel Pvt. Ltd.	-	20000
Nil(2000) Babita Fiscal Pvt. Ltd.	-	20000
Nil(200) Cielport Manangement Pvt. Ltd.	-	20000
Nil(2000) Dollex Capital & Finance Pvt. Ltd.	-	20000
Nil(2000) Fransisca Investment Pvt. Ltd.	-	20000
Nil(2000) Gabriel Investments Pvt. Ltd.	-	20000
Nil(2000) Kingfishers Trading Pvt. Ltd.	-	20000
Nil(200) Marut Apparels Pvt. Ltd.	-	20000
Nil(2000) Modi Capital Finance (I) Pvt. Ltd.	-	20000
Nil(2000) Navseema Properties & Securities Pvt. Ltd.	-	20000
Nil(2000) Raj Bones Ltd.	-	20000
<b>Total Investments</b>	<u>6739515</u> <u>266551550</u>	<u>6959515</u> <u>172483632</u>
<b>SCHEDULE "F" : CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. Sundry Debtors (Unsecured considered good)</b>		
Over Six Months	11934251	198383
Others	<u>93299013</u>	<u>225014413</u>
	<u>105233264</u>	<u>225212796</u>
<b>B. Cash and bank balance:</b>		
With scheduled Bank:		
On current account	40103300	21630391
On Fixed Deposit Account	309173914	417471672
On unpaid dividend account	450059	92687
Cash in Hand	<u>1483253</u>	<u>1560778</u>
	<u>351210526</u>	<u>440755528</u>
<b>C. Loans and advances: (Unsecured considered good)</b>		
Loans to Subsidiaries / Holdings	-	-
Loans to Others	16722053	19549823
Advance Income Tax	55684561	41182735
Advances recoverable in cash or in kind or for value to be received	-	56,330,000
Deposits with DSCX	238078	238078
Other Deposits	43132157	67468962
Share Application Money Paid	9267	9267
Other Current Assets	4717888	2137392
	<u>176834004</u>	<u>216380384</u>
<b>D. Inventory</b>		
	2325288	-
<b>(Total A+B+C+D)</b>	<u>635603082</u>	<u>882348708</u>
<b>SCHEDULE "G" : CURRENT LIABILITIES AND PROVISIONS</b>		
<b>a) Current Liabilities :</b>		
Unclaimed amount for redemption of Preference shares	4400	4400
Sundry Creditors	159282237	363353323
Sundry Creditors for Exp.	1044395	2658000

	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
Unclaimed Dividend	449419	91746
TDS Payable	8522968	2163315
Liabilities for Purchase of Assets (HC)	-	-
Liabilities for Purchase of Assets (Others)	9292000	7768770
Advance Rent Received	274500	274500
Other Current Liabilities	3310921	6030270
	<u>182180839</u>	<u>382344324</u>
b) Provisions:		
Provision for Taxation	35689403	36401837
Provision for FBT	39142	83191
Service Tax Payable	-	28653
Proposed Dividend	3775000	3775000
Corporate Dividend Tax	641561	641561
	<u>40145106</u>	<u>40930242</u>
	<u>222325945</u>	<u>423274566</u>
<b>SCHEDULE 'H' : MISCELLANEOUS EXPENDITURE</b> [To the extent not written off or adjusted]		
Share Issue Expenses	1920847	-
Preliminary Expenses		1576129
	<u>1920847</u>	<u>1576129</u>
<b>SCHEDULE "I" : OTHER INCOME</b>		
Interest on Loan		177,135
Misc. Income	89844	2849
Rent Recd.	132569	719600
Dividend	778159	331870
DP Charges Estock	847212	314611
Interest on F. D.	-	-
Profit from trading in shares & Securities	495079	641088
Balance w/Back		40517
	<u>2342863</u>	<u>2050536</u>
<b>SCHEDULE "J" : ADMINISTRATIVE AND OTHER EXPENSES</b>		
Audit fees	361128	258736
Legal & Professional charges	5303047	4710699
Miscellaneous Expenses	25468064	17623613
	<u>31132239</u>	<u>22593048</u>
<b>SCHEDULE "K" : PAYMENT TO &amp; PROVISION FOR EMPLOYEES</b>		
Salary & Bonus	13564283	7420838
Employers cont. to P.F.	758531	
P.F.Administration Charges	25529	
Staff Welfare	-	-
Gratuity	133470	
Food & Beverages	599201	
Director's Remuneration	2602812	
	<u>17683826</u>	<u>7420838</u>

**SCHEDULE "K" : NOTES TO ACCOUNTS**

Significant Accounting Policies & Notes to Accounts:

**A. Significant Accounting Policies**

1. **SYSTEM OF ACCOUNTING** : Company follows accrual system of accounting.
2. **FIXED ASSETS** : Fixed Assets are stated at cost of acquisition less accumulated depreciation. Depreciation on all assets is provided on WDV method as per rates prescribed in schedule XIV of the Companies Act, 1956.
3. **TAXATION** : Provisions for taxation comprises of current tax and deferred tax charge or release and Fringe Benefit Tax. Deferred tax is recognised subject to consideration of prudence on timing difference, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets arising out of carry forward losses and unabsorbed depreciation are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised..
4. **INVENTORIES**: Inventories are valued at cost or net realisable value whichever is lower (determined on weighted/ moving average basis)
5. **INVESTMENT**: Long term investments are stated at cost. Provision for diminution in the value of investments is made only if such a decline is other then temporary in the opinion of the management.
6. **FOREIGN CURRENCY TRANSACTION** : Recorded on the basis of exchange rate prevailing on the date of their occurrence. Monetary foreign currency assets and liabilities outstanding at the close of the year are revalorised at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the profit and loss account.
7. **EMPLOYEE BENEFIT**: Company does not have any benefits plans to its employee so far.
8. **CONTINGENT LIABILITIES** : Contingent liabilities are not provided for in the accounts and are separately disclosed in the Notes on Accounts.

**B. Notes to Accounts :**

1. **Principles of Consolidation:**

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

- (a) The consolidated financial statements of the Group are prepared in accordance with the Accounting Standard-21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India".
- (b) The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra- group balances and intra-group transactions resulting in unrealised profits or unrealised cash losses

- (c) The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements
- (d) The excess of cost of Investment in the subsidiary at the date of investment made is recognised as goodwill, which is written off over a period of Ten years. The excess of the Company's portion of equity of the Subsidiary over the cost of Investment therein is treated as capital reserve.
- (e) Companies considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	Holding	Financial year ends on
IndiaNivesh Securities Pvt.Ltd.	India	100.00%	31.03.2009
Siddhi Multi-Trade Pvt.Ltd.	India	100.00%	31.03.2009
IndiaNivesh Management Consultants Pvt. Ltd.	India	100.00%	31.03.2009
Luminaire Technologies Limited.	India	50.95%	31.03.2009

**2. Contingent Liabilities :-**

- a. Income-Tax demand disputed Rs. Nil (Previous Rs. 1,54,558/-)
- b. Corporate Guarantee given to Oriental Bank of Commerce on behalf IndiaNivesh Securities Pvt. Ltd., a subsidiary company of IndiaNivesh Limited for Rs. 7,50,00,000/- (Previous Rs. 5,00,00,000/-)
- c. In respect of bank guarantees by IndiaNivesh Securities Pvt.Ltd. a subsidiary company, to stock exchanges (Against Fixed Deposits of Rs.3,75,00,000) (Previous year : 4,25,00,000) Rs. 7,50,00,000/-
- d. Contingent liability not provided for in respect of : IndiaNivesh TV Networks Pte Ltd. (Fellow Subsidiary) liability towards pre termination of contract to Telecommunication Company amounting to US\$ 747,846 equivalent Singapore \$ 11,37,100 (equivalent to INR 3,79,90,511).

The company had entered into a contract for broadcasting and IPLC Services with a telecommunication company. However due to poor service offered, the company had restrained itself from making payments of bills raised by the telecommunication company. Hence the telecommunication company terminated the services of the company with effect from December, 2008 and also issued invoices for 3 years amounting to US\$ 747,846. The management is of the opinion that the price for pre-termination of the contract will not be greater than service charges of one year amounting to US\$ 287,750.

**3. Previous years figures are regrouped/rearranged wherever necessary.**

**4. Earning per Share:**

	31.3.2009	31.3.2008
Profit/ (Loss) After Tax	(69411188/-)	73446393/-
Weighted average number of equity shares outstanding	3775000	3775000
Nominal Value per equity share (Rs.)	10/-	10/-
Basic and diluted earning per share (Rs.)	(18.39)	19.46

5. **Payment to Auditor:**

Particulars	31.3.2009	31.3.2008
Audit Fees	2,90,203/-	2,20,099/-
Certification & others	1,00,696/-	57,963/-

6. **Managerial Remuneration under section 198 of the Companies Act, 1956:**

	31.3.2009	31.3.2008
Salary	1350000/-	942893/-
Allowances & Perquisites	1252812/-	759183/-
Contribution to Provident fund & other Funds	46800/-	29802/-
Leave Encashment	64173/-	-
Total	2713785/-	1731878/-

7. Segmental Reporting: - As the Consolidated Group presently operates predominantly in one operating activity, namely Financing and Investments, the reporting under segment under AS-17 is not applicable.

8. There are no dues to micro, medium and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 1996. This disclosure is on the basis of the information available with the Consolidated Group.

9. Information required by paragraph 3 and 4 of part II of schedule VI of the Companies Act

- i. Sales, production, material consumed, opening stock, purchases, closing stocks :-  
Nil (Previous Year: Nil)
- ii. CIF value of imports :- Nil (Previous Year: Nil/-)
- iii. Expenditure in foreign currency :- Nil (Previous Year: 5696897/-)
- iv. Earning in foreign currencies :- Nil (Previous Year: Nil)

10. Estimated amount of contracts remaining to be executed on capital accounts:-  
Nil (Previous Year: 14.00 Laks)

11. Disclosures in receipt of derivative instruments:

- (i) Derivative instrument outstanding as at 31<sup>st</sup> March 2009 - Nil.
- (ii) Foreign Currency exposures that are not hedged by derivative instrument as at 31<sup>st</sup> March 2009 - Nil

12. Cash flow statement for the year ended 31<sup>st</sup> March 2009 is given in the statement annexed to these accounts as annexure.

13. Related Party Disclosures :

a) Relationship :-

- (i) Holding /Promotor Group Company:  
Sneh Shares & Securities Pvt.Ltd. - Promotors.

- (ii) Key Management Personnel  
Mr. Dinesh Nuwal  
Mr. Rajesh Nuwal  
Mr. Nirmal Pareek  
Mr. Nitesh Kabra

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.

- (b) Details of transaction with the related parties referred in (a) above

Nature of transactions	Related parties as referred in	
	A(i) above (Rupees)	A(ii) above (Rupees)
(i) Remuneration	-	2713785/-

- (c) Outstanding balance as the close of the year:

- (i) As Creditors

14. Component of Deferred Tax assets/Liabilities are as under :

Deferred Tax	31st March, 2009	31st March, 2008
Liabilities/(Assets) (Net)	24,92,304/-	20,24,944/-

Notes forming part of the Accounts  
As per our attached report of even date

For and on behalf of  
**Dalal & Shah**  
Chartered Accountants

**Shishir Dalal**  
Partner  
Mumbai : December 8, 2009

**Dinesh Nuwal**  
Vice Chairman

**Hemant Panpalla**  
Director

**Anil Bafna**  
Chairman

**Rajesh Nuwal**  
Managing Director

**Jinesh Doshi**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	2008-2009 Rupees	2007-2008 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) Before Tax & extra- Ordinary items	(67,741,972)	98223966
Adjustments for :		
Depreciation	9,217,134	5897638
Taken Over Depreciation on Acquisition of Subsidiary.		3412110
Prior Period Expenses	(721,161)	(180208)
Profit on sale of assets		(1007708)
Profit on Sale of Investment	(437)	(38266787)
Miscellaneous w/off	(344,718)	(394788)
Exchange Difference	(1,120,994)	(107084)
Loss on sale of assets/share	39,662,532	638,031
<b>Cash inflow/(Outflow) before working capitals charges</b>	<b>(21,049,616)</b>	<b>68215170</b>
Adjustments for :		
(Increase)/ Decrease in Other Current Assets	157,200,625	(345386021)
(Decrease)/Increase in Current liabilities	(200,948,621)	344574891
Miscellaneous Exp.		
Cash used in operating activities	<b>(64,797,612)</b>	<b>67404040</b>
Direct Taxes (paid)/Tax Refund received.	(475,466)	(21757087)
Net cash used in operating activities	"A" <b>(65,273,078)</b>	<b>45646953</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/ acquisition of fixed assets	(49,557,568)	(95011011)
Sale of fixed assets	531,900	19880325
Sale of Investment	(1,997,217)	
Investments in others	(127,737,960)	(41363732)
Net cash from investing activities	"B" <b>(178,760,845)</b>	<b>(116494418)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Secured Loan	6,003,563	40330418
Unsecured Loans	151,780,488	439727600
Dividend paid	(3,775,000)	(15100000)
Interest Expenses		
Profit on Sale of Investment	437	38266787
Exchange Difference	1,120,994	107084
Loss on sale of Assets/share	-	(638031)
Profit on Sale of assets/share		1007708
Corporate dividend tax	(641,561)	(2566246)
Net cash used in financing activities	"C" <b>154488921</b>	<b>501135320</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(89545002)</b>	<b>430287855</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Opening	440,755,528	9624579
Taken Over on Acquisition of Subsidiary	-	843094
Closing	351,210,526	440755528
<b>NET INCREASE /(DECREASE) AS DISCLOSED ABOVE</b>	<b>(89545002)</b>	<b>430287855</b>

**Note:** 1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.  
2. Direct taxes paid is shown under operating activities and not allocated to investing and financing activities.

Notes forming part of the Accounts  
As per our attached report of even date

**Anil Bafna**  
Chairman

For and on behalf of  
**Dalal & Shah**  
Chartered Accountants

**Dinesh Nuwal**  
Vice Chairman

**Rajesh Nuwal**  
Managing Director

**Shishir Dalal** - Partner  
Mumbai : December 8, 2009

**Hemant Panpalia**  
Director

**Jinesh Doshi**  
Company Secretary



**IndiaNivesh Limited**

Regd. Office: 601 & 602, Sukh Sagar, N. S. Patkar Marg, Girgaum Chowpatty, Mumbai-400 007

**ATTENDANCE SLIP**

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Mr./Mrs./Miss \_\_\_\_\_  
certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company.  
I hereby record my presence at the 78th Annual General Meeting of the Company to be held on  
Thursday, December 31, 2009 at 5:00 p.m. at 601 & 602, Sukh Sagar, N.S. Patkar Marg, Girgaum  
Chowpatty, Mumbai-400 007.

Folio No./ Client Id.: \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

Note : Shareholders/Proxyholders are requested to bring the Attendance Slip with them when  
they come to the Meeting and hand over at the entrance after affixing their signature on them.  
Joint Shareholders may obtain additional Attendance Slips at the entrance.

**IndiaNivesh Limited**

Regd. Office: 601 & 602, Sukh Sagar, N. S. Patkar Marg, Girgaum Chowpatty, Mumbai-400 007

**PROXY**

I / We \_\_\_\_\_ of \_\_\_\_\_ in the state of  
\_\_\_\_\_ being a member / members of IndiaNivesh Limited, hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ failing him/her \_\_\_\_\_ of  
\_\_\_\_\_ as our proxy to vote for me/us and on my/our behalf, at the 78th Annual General  
Meeting of the Company to be held on Thursday, December 31, 2009 at 601 & 602, Sukh Sagar, N.  
S. Patkar Marg, Girgaum Chowpatty, Mumbai - 400 007 at 5:00 p.m. and at any adjournment  
thereof. In witness thereof I/ We put my/our hand/hands this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Please Affix  
Revenue  
Stamp  
Here

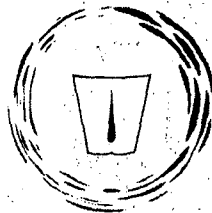
L. F. No. / Client Id. : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

Date : \_\_\_\_\_

Signature \_\_\_\_\_

NOTE : The Proxy Form duly completed must be deposited at the Registered Office of the  
Company not less than 48 hours before the Meeting.



**IndiaNivesh**  
L I M I T E D

**Trust.....we earn it.**

Regd. Off. : 601/602, "Sukh Sagar" N. S. Patkar Marg, Girgaum Chowpatty, Mumbai - 400 007.  
Tel.: +91(22) 6618 8800 Fax: +91(22) 6618 8899 E-mail : [indianivesh@indianivesh.in](mailto:indianivesh@indianivesh.in)  
Website : [www.indianivesh.in](http://www.indianivesh.in)