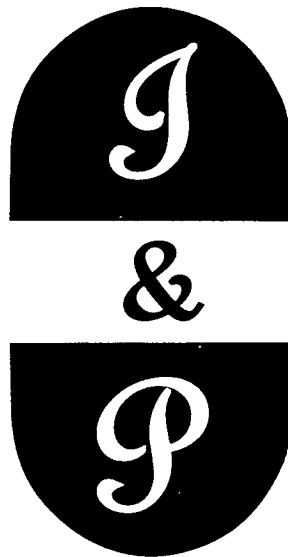


93rd
ANNUAL REPORT
2008 - 2009



THE INDUSTRIAL & PRUDENTIAL
INVESTMENT COMPANY LIMITED

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	:	A. V. SETALVAD A. R. BROACHA V. C. VAIDYA GAURAV SWARUP VIKRAM SWARUP
BANKERS	:	DEUTSCHE BANK BANK OF INDIA ICICI BANK LIMITED
AUDITORS	:	N.M. RAIJI & CO. CHARTERED ACCOUNTANTS
REGISTERED OFFICE	:	125, MAKER CHAMBERS III, NARIMAN POINT, MUMBAI- 400 021 Tel.: 22854243
REGISTRARS & TRANSFER AGENTS	:	LINK INTIME INDIA PVT. LTD. (Formerly INTIME SPECTRUM REGISTRY LIMITED) C-13, PANNALAL SILK MILLS COMPOUND, L.B.S. MARG, BHANDUP (WEST), MUMBAI - 400 078.. TEL. 2596 3838

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Notice

NOTICE is hereby given that the Ninety-Third Annual General Meeting of THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED will be held at Bajaj Bhavan, Ground Floor, (Kamalnayan Bajaj Hall), 220, Nariman Point, Mumbai - 400 021, on Wednesday, August 12, 2009 at 3.00 p.m. to transact the following items of business:

1. To receive, consider, and adopt the audited Balance Sheet and Profit and Loss Account of the Company for the year ended March 31, 2009, the Board's Report and the Auditors' Report.
2. To declare a dividend.
3. To appoint a Director in place of Mr. G. Swarup, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A.V. Setalvad, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors, to hold office, from the conclusion of this meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

The register of Members and the Share Transfer Books of the Company will remain closed from July 27, 2009 to August 12, 2009 (both days inclusive).

If, dividend, as recommended by the Directors, is approved at the meeting, payment will be made on or after August 24, 2009 to those shareholders whose names appear in the Company's Register of Members on August 12, 2009.

Unpaid Dividend for the financial year ended March 31, 2001, have been transferred to the Investor Education and Protection Fund after completion of seven years in accordance with Section 205C of the Companies Act, 1956.

Registered Office:
125, Maker Chambers III,
Nariman Point, Mumbai 400 021

Mumbai, 26th May, 2009

By Order of the Board,

A.V. SETALVAD
Chairman

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Board's Report

Your Directors beg to submit their report and audited Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March 2009.

1. ACCOUNTS:

	2008-2009	Rs. in lacs 2007- 2008
Income	355.36	351.01
Expenditure		
(a) Expenses	20.33	20.30
(b) Provision for diminution in the value of Investment (current)	40.13	25.39
Profit before Taxation	<u>294.90</u>	<u>305.32</u>
Provision for Taxation :		
Current Tax		
- for the year	-	4.00
- relating to earlier year	1.25	-
Deferred Tax	(0.04)	(0.04)
Fringe Benefit Tax	0.05	0.09
	<u>1.26</u>	<u>4.05</u>
Net Profit	293.64	301.27
Add: Balance brought forward from Balance Sheet	754.80	629.11
Profit for Appropriation	<u>1,048.44</u>	<u>930.38</u>
Appropriation:		
Dividend	69.81	69.81
Tax on Dividend	11.87	11.87
Special Reserve (in terms of Section 45-IC of RBI Act, 1934)	60.00	62.00
General Reserve	30.00	31.90
Balance Carried to Balance Sheet	876.76	754.80
	<u>1,048.44</u>	<u>930.38</u>

2. DIVIDEND:

From the profit of the year, your Directors recommend a dividend of Rs. 12.00 per share (previous year Rs. 12.00 per Share)

3. CONSOLIDATED ACCOUNTS:

As per the requirement of SEBI, Consolidated accounts in accordance with Accounting Standard (AS) - 21 have been annexed to this Annual Report.

4. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the the Articles of Association of the Company Mr.G. Swarup and Mr. A. V. Setalvad retire by rotation and, being eligible, offer themselves for re-appointment.

5. AUDITORS:

You are requested to appoint auditors for the current year and fix their remuneration. The retiring auditors, Messrs N. M. Raiji & Co., Chartered Accountants, are eligible and offer themselves for re-appointment. The Company has received a certificate from Messrs N. M. Raiji & Co. to the effect that their re-appointment, if made, will be within the prescribed limits in Section 224(1-B) of the Companies Act, 1956.

Board's Report

6. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of The Companies Act, 1956, the Board of Directors report that:

- * in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- * accounting policies have been selected and applied consistently and that the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- * proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- * the annual accounts have been prepared on a going concern basis.

7 COMPLIANCE CERTIFICATE

A copy of Compliance Certificate U/s.383A of the Companies Act.1956, received from Ragini Chokshi & Co., Company Secretaries, is annexed and form part of this report.

8 SUBSIDIARY ACCOUNTS:

New Holding And Trading Company Limited s Accounts for the year ended March 31, 2009 are attached.

9 EMPLOYEES:

The Company has no employees covered under Section 217 (2A) of the Companies Act, 1956.

For and on behalf of the Board of Directors

Mumbai, 26th May, 2009

A. V. SETALVAD
Chairman

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Compliance Certificate

Registration no. of the company : 11-374
Nominal Capital : Rs. 1,00,00,000/-
(Issued & Paid Up Capital) : Rs. 58,21,122/-

To,
The Members,
M/S. THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED.

We have examined the registers, records, books and papers of M/S. THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED. (Regd. No. 11-374) (The company) as required to be maintained under the Companies Act, 1956, (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company. Its officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificates, as per the provisions of the Act and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, is a Public Limited Company and hence comments are not required.
4. The Board of Directors duly met Four times respectively on May 7, 2008, June 25, 2008, July 29, 2008, October 31, 2008 and January 28, 2009 in respect of which meetings proper notices were given and the proceedings were properly recorded, and signed including the Minutes Book maintained for the purpose.
5. The Company closed its Register of members during the financial year from June 10, 2008 to June 25, 2008.
6. The Annual General Meeting for the financial year ended on 31st March 2008 was held on June 25, 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors, persons, firms, or companies referred to under Section 295 of the Companies Act, 1956.
9. The Company had not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. There were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company has :
 - (i) Delivered all the certificates on lodgement thereof for transfer in accordance with the provisions of the Companies Act, 1956.
 - (ii) The company had paid dividend Rs. 12/- per Share of Rs. 10/- each, for the year ended 31st March, 2008 on 7th July, 2008 and same amount was deposited with Deutsche Bank within 5 days from the date of declaration of such dividend i.e. on 27th, June 2008
 - (iii) Paid / Posted warrants for dividend to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to unpaid dividend account of the Company.
 - (iv) Transferred the amounts in unpaid dividend account, application money due for refund and interest accrued thereon which has remained unpaid or unclaimed for a period of seven years.
 - (v) Duly complied with the requirements of section 217 of the Act.
 - (vi) Based on the representation received from the company and certified by the Registrars and Transfer Agents of the company, no investor grievances is pending for a period exceeding one month as on March 31, 2009, against the company and the Registrars and Transfer Agents have reported to the shareholders.
We further state that such compliance is neither an assurance as to the future viability of the company not the

Compliance Certificate

efficiency or effectiveness with which the management has conducted the affairs of the company.

14. The Board of Directors is duly constituted and no appointment of additional directors, alternate directors and directors to fill casual vacancy have been made during the year.
15. The company has not appointed any Managing Director / Whole time Director / Manager during the year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board / Regional Director / Registrar or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/ Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures, during the financial year.
22. There were no transaction necessitating keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any Deposits including any unsecured loans falling within the purview of Section 58A of the Act read with companies (Acceptance of Deposit) Rules 1975, during the financial year under review from public.
24. The Company has not made any borrowings during the financial year ended 31st March, 2009
25. The Company has not made loans and advances, given guarantees, or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated again or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company is not required to make contribution towards provident fund.

For, **RAGINI CHOKSHI & CO.**
RAGINI CHOKSHI
Company Secretary

Place : Mumbai
Date : 14-05-2009

(Proprietor)
C.P.No. 1436
Membership No.: 2390

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Compliance Certificate

ANNEXURE 'A'

REGISTERS AS MAINTAINED BY THE COMPANY

1. Registers of Members under Section 150.
2. Register and Returns under Section 163.
3. Minutes Book of Meeting.
4. Books of Account.
5. Register of Directors, Management Director, Manager and Secretary under Section 303.
6. Fixed Assets Register.
7. Register of Transfer.
8. Register of Investment under Section 49.

OTHER REGISTERS

1. Register of Director Attendance maintained.
2. Register of Shareholder Attendance.

ANNEXURE 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31ST March 2009., Under MCA 21.

Sr. No.	Form No / Return	Filed under Section	For	Date of filing	Whether filing within Prescribed Time Yes / No	If delay in filing whether requisite additional fee paid Yes / No
1.	Form No. 66	383A	2007-2008	18-07-2008	Yes	No
2.	23ACA	220	2007-2008	21-07-2008	Yes	No
3.	Form No. 20 B	159	2007-2008	26-08-2008	Yes	No
4.	Form No.1	-	2007-2008	05-11-2008	No	No

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Auditors' Report

TO THE MEMBERS OF THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

1. We have audited the attached Balance Sheet of **THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**, as at 31st March 2009, the related Profit and Loss Account and also the 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.
2. 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 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.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, 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 to the extent applicable;
 - (v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March 2009;
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

For **N. M. RAIJI & CO.**,
Chartered Accountants

CA. Y. N. THAKKAR
Partner
Membership No: 33329

Place: Mumbai
Date: 27th May, 2009

Annexure referred to in paragraph 3 of our report of even date

- i.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b) The fixed assets of the Company have been physically verified by the management during the year. No material discrepancies were noticed on such verification as compared with the book records.
 - c) The Company has not disposed off substantial part of fixed asset during the year.
- ii. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clause (b),(c),(d), (f) and (g) are not applicable.
- iii. In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- iv. No transactions have been entered during the year in the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly sub-clause (b) is not applicable.
- v. The Company has not accepted any deposits from the public.
- vi. The Company does not have an internal audit system. Considering the nature and scale of operations of the Company and in the context of the close supervision exercised by the Board of Directors, we are informed that an internal audit system is not considered necessary at present.
- vii.
 - (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise, cess and any other statutory dues applicable to it. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31st March 2009 for a period of more than six months from the date they became payable.
 - (b) According to the records made available to us and the information and explanations given by the management, there are no dues of sales tax / income tax / custom duty / wealth tax / service tax / excise duty / cess that have not been deposited on account of any dispute.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
- ix. According to the information and explanations given to us by the management, the company has no dues payable to banks, financial institutions, or debenture holders. Accordingly, provisions of clause 4(xi) is not applicable to the Company.
- x. Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xi. The Company is not a chit / nidhi / mutual benefit fund/society.

Annexure referred to in paragraph 3 of our report of even date

- xii. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that in respect of current investments, proper records have been maintained of the transactions and contracts of its dealing in shares, securities and other investments and entries therein have generally been made on timely basis. The Company has held the investments in its own name except as permissible under section 49 of the Act.
- xiii. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xiv. During the year the Company has not issued any debentures.
- xv. The Company has not raised any money by public issue during the year.
- xvi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place: Mumbai
Date: 27th May, 2009

For **N. M. RAIJI & CO.**,
Chartered Accountants

CA. Y. N. THAKKAR
Partner
Membership No: 33329

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Balance Sheet As At 31st March 2009

	SCHEDULE		As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUND				
Share Capital	1	5,821,122		5,821,122
Reserves and Surplus	2	175,041,419		153,845,174
			180,862,541	159,666,296
DEFERRED TAX LIABILITY			14,143	17,668
			180,876,684	159,683,964
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross block	3	1,075,043		1,073,293
Less: Depreciation		960,063		926,382
Net block			114,980	146,911
INVESTMENTS	4		180,960,778	143,621,501
CURRENT ASSETS, LOANS AND ADVANCES				
Current Assets	5	9,200,742		25,104,364
Loans and Advances		757,056		801,765
		9,957,798		25,906,129
Less:				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	6	1,989,030		1,821,801
Provisions		8,167,842		8,168,776
		10,156,872		9,990,577
NET CURRENT ASSETS			(199,074)	15,915,552
			180,876,684	159,683,964
NOTES FORMING PART OF THE ACCOUNTS	8			

As per our report attached
For N. M. RAIJI & CO.
Chartered Accountants

CA. Y. N. THAKKAR
Partner
 Membership No: 33329
 Mumbai, 27th May, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD **CHAIRMAN**

A. R. BROACHA
V. C. VAIDYA } **DIRECTORS**

Mumbai, 26th May, 2009

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Profit And Loss Account For The Year Ended 31st March 2009

	SCHEDULE	2008 - 2009 Rupees	2007 - 2008 Rupees
INCOME			
Dividend on Investments			
Long Term		31,802,724	28,458,705
Current		567,159	188,201
		<u>32,369,883</u>	<u>28,646,906</u>
Profit on sale of Long term Investments (Net)		2,842,165	3,940,133
Profit on Sale of Current Investments (Net)		293,112	2,506,330
Sundry Interest [Including tax deducted at Source Rs. 4591/-] (Previous year Nil.)		22,286	-
Miscellaneous Income		9,262	7,545
		<u>35,536,708</u>	<u>35,100,914</u>
EXPENDITURE			
Management expenses	7	1,979,020	1,907,749
Provision for diminution in the value of Investments (Current)		4,012,886	2,538,996
Interest		20,688	74,737
Depreciation		33,681	47,947
		<u>6,046,275</u>	<u>4,569,429</u>
Profit before Tax		29,490,433	30,531,485
Less: Provision for Taxation			
Current Tax			
- for the year			400,000
- relating to earlier years		125,052	-
Deferred Tax		(3,525)	(4,045)
Fringe Benefit tax		4,819	8,620
		<u>126,346</u>	<u>404,575</u>
Profit after Tax		29,364,087	30,126,910
Add: Balance brought forward		75,480,274	62,911,206
Amount available for appropriations		104,844,361	93,038,116
Less: Appropriations			
Transfer to			
Special reserve		6,000,000	6,200,000
General reserve		3,000,000	3,190,000
Proposed Dividend		6,981,360	6,981,360
Tax on dividend		1,186,482	1,186,482
Balance Carried to balance sheet		87,676,519	75,480,274
		<u>104,844,361</u>	<u>93,038,116</u>
Basic and Diluted Earning per Equity Share (Nominal Value per share Rs. 10)		50.47	51.78

NOTES FORMING PART OF THE ACCOUNTS 8

As per our report attached

For N. M. RAIJI & CO.
Chartered Accountants

CA. Y. N. THAKKAR
Partner
Membership No: 33329
Mumbai, 27th May, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD CHAIRMAN

A. R. BROACHA
V. C. VAIDYA } DIRECTORS
Mumbai, 26th May, 2009

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Cash Flow For The Year Ended March 31, 2009

	31.03.2009	31.03.2008
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES.		
Net Profit before tax	29,490,433	30,531,485
Adjusted for		
Depreciation	33,681	47,947
Investment income	(35,505,160)	(35,093,369)
Provision for diminution in the value of Investments	4,012,886	2,538,996
	<u>(31,458,593)</u>	<u>(32,506,426)</u>
Operating Profit/(Loss) before Working Capital Changes	(1,968,160)	(1,974,941)
Changes in		
Trade & Other Receivable	(286,193)	3,073
Trade Payables	10,177	(60,697)
NET CASH USED IN OPERATING ACTIVITIES	<u>(2,244,176)</u>	<u>(2,032,565)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,750)	(15,004)
Purchase of Investments	(159,354,706)	(148,067,410)
Sale of Investments	121,137,820	146,854,150
Interest Received	-	-
Dividend Received	<u>32,369,883</u>	<u>28,646,906</u>
Cash Generated from Investing Activities	(5,848,753)	27,418,642
Direct Taxes Paid (including Fringe Benefit Tax)	(80,296)	(937,563)
NET CASH FROM INVESTING ACTIVITIES	<u>(5,929,049)</u>	<u>26,481,079</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Loan Taken	-	-
Loan Repaid	-	-
Dividend Paid	(6,824,308)	(6,898,178)
Tax on Dividend	<u>(1,186,482)</u>	<u>(1,186,482)</u>
NET CASH USED IN FINANCIAL ACTIVITIES	(8,010,790)	(8,084,660)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(16,184,015)	16,363,854
CASH AND CASH EQUIVALENTS - OPENING BALANCE	25,096,575	8,732,721
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	<u>8,912,560</u>	<u>25,096,575</u>

NOTES:

1. All figures in brackets are outflows.
2. Cash and Cash equivalents is Cash and Bank Balances as per Balance sheet.
3. Previous year's figures have been regrouped wherever necessary.

As per our report attached

For **N. M. RAIJI & CO.**
Chartered Accountants

CA. Y. N. THAKKAR
Partner
Membership No: 33329
Mumbai, 27th May, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD

CHAIRMAN

A. R. BROACHA
V. C. VAIDYA

DIRECTORS

Mumbai, 26th May, 2009

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Balance Sheet As At 31st March 2009

SCHEDULE - 1 - SHARE CAPITAL

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Authorised:		
10,00,000 Equity Shares of Rs. 10 each.	10,000,000	10,000,000
Issued, Subscribed and Paid-up:		
5,81,780 Equity Shares of Rs. 10 each	5,817,800	5,817,800
(Of the above 3,27,340 Equity Shares of Rs 10 each allotted as fully paid up Bonus shares by capitalisation of General Reserve)		
Forfeited Shares	3,322	3,322
	5,821,122	5,821,122

SCHEDULE - 2

RESERVES AND SURPLUS

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Capital Reserve		
Balance as per last Balance Sheet	64,900	64,900
General Reserve		
Balance as per last Balance Sheet	36,800,000	33,610,000
Add: Transferred from Profit and Loss Account	3,000,000	3,190,000
	39,800,000	36,800,000
Special Reserve		
(in terms of Section 45-IC of Reserve Bank of India)		
Balance as per last Balance Sheet	41,500,000	35,300,000
Add: Transferred from Profit and Loss Account	6,000,000	6,200,000
	47,500,000	41,500,000
Profit and Loss Account	87,676,519	75,480,274
	175,041,419	153,845,174

SCHEDULE - 3 - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions during the Year	Deductions/ Adjustments during the Year	As at 31.03.2009	As at 01.04.2008	For the Year	Deductions/ Adjustments during the Year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
1 Office Premises	151,532	-	-	151,532	112,186	1,967	-	114,153	37,379	39,346
2 Furnitures, Fixtures and Fittings	380,480	-	-	380,480	358,143	3,328	-	361,471	19,009	22,337
3 Office Equipments	101,061	-	-	101,061	72,491	3,973	-	76,464	24,597	28,570
4 Computers and Systems	440,220	1,750	-	441,970	383,562	24,413	-	407,975	33,995	56,658
TOTAL	1,073,293	1,750	-	1,075,043	926,382	33,681	-	960,063	114,980	146,911
Previous year:	1,058,289	15,004	-	1,073,293	878,435	47,947	-	926,382	146,911	179,853

NOTE: Office Premises includes Rs. 250 being the cost of shares in Co-operative Society.

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Balance Sheet As At 31st March 2009

SCHEDULE - 4 - INVESTMENTS

Name of the Company	Face Value Rupees	Holding	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
I. A. Quoted Long Term				
(a) Equity Shares (Fully Paid)				
A.C.C. Limited	10	7,000	438,452	438,452
Amara Raja Batteries Limited (17,500 Bonus Shares received during the year)	2	52,500	1,004,159	1,004,159
Andhra Cements Limited	10	40,000	1,553,275	1,553,275
Areva T and D India Ltd. (50,000 Shares allotted due to Sub-Div. of f.v. Rs. 2/-)	2	50,000	1,024,382	1,024,382
BASF India Limited (3,000 Shares Sold during the year)	10	7,000	278,772	398,246
Bharat Earth Movers Limited	10	8,500	1,876,742	1,876,742
Bharat Electronics Limited	10	3,000	1,195,858	1,195,858
Bharat Forge Limited	2	16,000	1,383,093	1,383,093
Bharti Airtel Limited	10	7,500	1,578,683	1,578,683
Bosch Limited	10	2,000	11,393	11,393
Century Textile Limited	10	1,000	425,966	425,966
Dish TV India Limited	1	5,462	77,368	77,368
DR. Reddys Laboratories Limited	5	4,000	2,028,636	2,028,636
Gail India Limited (9,500 Bonus Shares received during the year)	10	28,500	4,322,177	4,322,177
Great Eastern Shipping Company Limited	10	30,400	5,056,755	5,056,755
Great Offshore Limited	10	7,600	1,295,761	1,295,761
Hindustan Unilever Limited	1	73,000	190,867	190,867
IDBI Limited	10	15,000	1,170,130	1,170,130
IDFC Limited (15,000 Shares Sold during the year)	10	-	-	1,055,106
Indian Hotels Company Limited (13,200 Rights Shares Aquired during the year @ Rs.70/-)	1	79,200	1,507,820	583,820
Infosys Technologies Limited	5	108,000	2,110,921	2,110,921
ITC Limited	1	9,000	1,127,463	1,127,463
Karur Vysya Bank Limited	10	19,200	1,922,508	1,922,508
KSB Pumps Limited	10	3,570,000	17,401,315	17,401,315
Monsanto India Limited	10	800	673,359	673,359
Nagarjuna Construction Limited	2	54,000	1,458,262	1,458,262
Nestle India Limited	10	14,000	177,657	177,657
NTPC Limited	10	21,000	1,683,921	1,683,921
Orient Abrasive Limited	1	45,000	1,262,592	1,262,592
Piramal Glass Ltd.(Gujarat Glass Limited)	10	968	-	-
Piramal Healthcare Ltd.(Nicholas Piramal India Ltd)	2	20,000	1,556,960	1,556,960
Piramal Life Sciences Limited	10	2,000	326,383	-
Praj Industries Limited	2	19,000	2,415,485	2,415,485
Ranbaxy Laboratories Limited (4,427 Shares Sold during the year)	5	5,173	922,607	1,712,164
Reliance Communication Limited	10	8,000	1,083,150	1,083,150
Reliance Industries Limited	10	8,000	1,455,357	1,455,357

Continued.....

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Balance Sheet As At 31st March 2009

SCHEDULE - 4 - INVESTMENTS (Continued.....)

Name of the Company	Face Value Rupees	Holding	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Seamec Limited	10	8,000	1,506,941	1,506,941
Selan Exploration Technology Limited	10	10,000	804,671	804,671
Siemens Limited	2	25,000	194,598	194,598
State Bank of India	10	3,800	2,155,593	2,155,593
Tata Consultancy Services Limited	1	7,000	6,671,003	6,671,003
Tata Motors Limited	10	10,000	970,285	970,285
Tata Power Company Limited	10	26,000	779,633	779,633
Tata Steel Limited	10	9,600	2,043,845	2,043,845
Tata Teleservices (Maharashtra) Limited	10	80,000	2,039,111	2,039,111
Titan Industries Limited	10	14,000	2,630,224	2,630,224
TV TO-DAY Network Limited	5	8,000	840,563	840,563
Wire And Wireless (India) Limited	10	4,750	170,936	170,936
Zee Entertainment Enterprises Limited	1	9,500	781,319	781,319
Zee News Limited	1	4,294	83,242	83,242
Sub - Total - (a)			<u>83,670,196</u>	<u>84,383,949</u>
(b) Cumulative Compulsory Convertible Preference Share (Fully Paid)				
Tata Steel Limited -CCCPS	100	7,200	720,000	720,000
Sub - Total - (b)			<u>720,000</u>	<u>720,000</u>
Total A [a + b]			<u>84,390,196</u>	<u>85,103,949</u>
B Unquoted Long Term				
(a) Equity Shares (Fully Paid)				
(i) In Subsidiary				
New Holding And Trading Company Limited	100	5,025	2,500	2,500
[Sub Total (i)]			<u>2,500</u>	<u>2,500</u>
(ii) Others				
Niyuprene Plastics Company Limited	10	1,000	1	1
Piramal Life Sciences Limited	10	2,000	-	326,383
Siltronics (India) Limited	10	30	390	390
[Sub Total (ii)]			<u>391</u>	<u>326,774</u>
[Sub Total (a) = (i + ii)]			<u>2,891</u>	<u>329,274</u>
(b) Debentures:				
Citifinancial Consumer Finance India Limited (NCD) Series 400	100000	50	5,000,000	-
[Sub Total (b)]			<u>5,000,000</u>	<u>-</u>
(c) Mutual Fund				
JM Mutual Fund				
Arbitrage AdventureFund-Div. Payout(156) (32,47,535 Units Sold during the year)	10	-	-	33,333,184
Money Manager-Super PlusPlan-Daily Div (5,33,219 Units Sold during the year)	10	-	-	5,332,265
G-SEC Regular Dividend Payout	10	1,418,299	20,000,000	-
Birla Sunlife Income Plus - Qtr. Dividend Payout	10	1,713,326	20,000,000	-
ICICI Prudential Income Plan Qtr. Div. Payout	10	2,325,293	30,000,000	-
Master Plus -1991 Unit Trust of India	10	40,000	775,039	775,039
[Sub Total (c)]			<u>70,775,039</u>	<u>39,440,488</u>
Total B [a + b + c]			<u>75,777,930</u>	<u>39,769,762</u>
TOTAL - I (A + B)			<u>160,168,125</u>	<u>124,873,711</u>

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Balance Sheet As At 31st March 2009

SCHEDULE - 4 - INVESTMENTS (Continued.....)

Name of the Company	Face Value Rupees	Holding	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
II A. Quoted Current				
(a) Equity Shares (Fully Paid)				
Bharat Heavy Electrical Limited	10	300	451,305	616,965
Bharati Airtel Limited	10	4,000	1,458,549	1,640,868
IDFC Limited		-	-	1,024,752
Infosys Technologies Limited	5	300	397,230	429,045
Jaiprakash Associates Limited	2	2,900	244,180	657,140
Larson & Toubro Limited	2	1,400	732,471	1,046,387
Lupin Limited	10	2,900	1,600,777	1,432,310
Mahindra & Mahindra Limited	10	3,942	1,510,574	3,437,902
Praj Industries Limited			-	680,750
Punj Lloyd Limited	2	1,500	136,725	467,325
Reliance Communication Venture Limited	10	2,500	436,500	727,494
Reliance Industries Limited	10	900	1,370,880	1,728,650
Siemens Limited	2	350	94,325	864,221
Tata Consultancy Servises Limited	1	800	432,000	615,517
Tata Motors Limited	10	500	90,150	935,175
Titan Industries Limited	10	2,925	2,281,208	2,443,290
Sub Total - (a)			<u>11,236,874</u>	<u>18,747,790</u>
(b) Mutual fund				
Benchmark Mutual Fund - Liquid Bees (PP)	1000	9,556	9,555,779	-
Sub Total - (b)			<u>9,555,779</u>	-
TOTAL - II(a +b)			<u>20,792,653</u>	<u>18,747,790</u>
TOTAL OF (I + II)			<u>180,960,778</u>	<u>143,621,501</u>
Aggregate Cost of Quoted Investments			105,182,849	103,851,739
Aggregate Cost of Unquoted Investments			75,777,930	39,769,762
Market Value of Quoted Investments			1,298,631,157	1,704,131,066

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Balance Sheet As At 31st March 2009

SCHEDULE - 5 -

CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
(a) Current Assets		
(i) Trade Receivables	3,799	7,789
(ii) Dividend Receivable	284,383	-
(iii) Cash and Bank Balances		
In Current Accounts	7,638,316	23,973,136
In Dividend Accounts	1,269,503	1,112,428
Cash on Hand	4,741	11,011
	9,200,742	25,104,364
(b) Loans and Advances.		
(Unsecured and considered good)		
Advance recoverable in cash or in kind or for value to be received	29,327	23,527
Advance payment of Income-tax (Net of Provision)	727,520	778,238
Advance payment of Fringe Benefit Tax (Net of Provision)	209	-
	757,056	801,765
	9,957,798	25,906,129

SCHEDULE - 6

CURRENT LIABILITIES AND PROVISIONS

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
(a) Current Liabilities :		
Sundry Creditors	719,527	709,329
Unclaimed Dividend	1,269,503	1,112,472
	1,989,030	1,821,801
(b) Provisions :		
Proposed Dividend	6,981,360	6,981,360
Tax on Proposed Dividend	1,186,482	1,186,482
Fringe Benefit Tax Payable	-	934
	8,167,842	8,168,776
	10,156,872	9,990,577

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

SCHEDULE - 7

MANAGEMENT EXPENSES

	2008- 2009 <i>Rupees</i>	2007 - 2008 <i>Rupees</i>
Salaries	392,224	346,224
Legal and Professional Fees	600,306	436,590
Printing and Stationary	61,411	74,282
Rates and Taxes	104,865	105,017
Miscellaneous Expenses	299,428	414,584
Directors' Sitting Fees	72,000	81,000
Auditors' Remuneration:		
Audit Fees	40,000	40,000
For Certifications on Consolidated Financial Statements, Limited Review etc.	33,000	33,000
For Expenses	9,713	11,096
	82,713	84,096
Commision to Directors	350,000	350,000
Repairs and Maintenance Expenses	16,073	15,956
	1,979,020	1,907,749

Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

SCHEDULE - 8 -

NOTES FORMING PART OF THE ACCOUNTS

1. ACCOUNTING POLICIES:

(a) Fixed Assets

Fixed assets are stated at cost less depreciation. Cost comprises the cost of acquisition and any attributable costs of bringing the asset to the condition for its intended use.

(b) Depreciation

Depreciation is provided on the written down value method prescribed in Schedule XIV of the Companies Act, 1956.

(c) Investments

(i) Investments have been categorised as Long Term or Current by the Board of Directors.

(ii) Long Term Investments are stated at cost plus brokerage and other relevant charges. A Provision for diminution is made to recognise a decline, other than temporary, if any.

(iii) Current Investments are valued at lower of Cost or Market value.

(d) Revenue Recognition

Dividend Income from Investment is recognised when right to receive the payment is established.

(e) Retirement Benefits

The Company does not have any Retirement Benefits specifically laid down.

(f) Taxes on Income:

(i) Current Tax

Provision for Income Tax is determined in accordance with the provisions the Income Tax Act, 1961.

(ii) Deferred Tax

Deferred tax is recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

(g) Provisions and Contingent Liabilities:

(i) A provision is recognised when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

(ii) A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of out flow of resources is remote, no provision or disclosure is made.

2. Contingent liabilities not provided for in respect of:

(i) Disputed Taxation Matters Rs.8,50,373 (Previous year Rs. 8,30,084/-).

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

SCHEDULE - 8 -

NOTES FORMING PART OF THE ACCOUNTS (Contd.....)

3. Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956:

	2008-2009 Rupees	2007-2008 Rupees
Profit before tax as per Profit and Loss Account	29,490,433	30,531,485
Add: Directors' Sitting Fees	72,000	81,000
Commission to Directors	350,000	350,000
	<u>29,912,433</u>	<u>30,962,485</u>
Commission payable to non-whole time Directors (restricted to 3% of the net profits)	<u>350,000</u>	<u>350,000</u>

4. The investment activity is considered as a single segment in accordance with the Accounting Standard (AS-17) "Segment Reporting".

5. Related Party Disclosures:

A. Name of the related party and nature of relationship where control exists:

Name of the Party	Nature of Relationship
New Holding and Trading Company Limited	Subsidiary Company

B. Related Party Transactions:

Nature of Transactions	Subsidiary Company	Key Management Personnel	Relatives of Key Management Personnel	Individuals having Significant influence over the enterprise.	Relatives of Individuals having significant influence over the enterprise.	Enterprise over which Key Management Personnel exercise significant influence	Enterprise over which Individuals having significant influence over the reporting enterprise exercise significant Influence.	TOTAL
Directors' Sitting Fees	-	62,000	-	10,000	-	-	-	72,000
	(-)	(65,000)	(-)	(16,000)	(-)	(-)	(-)	(81,000)
Commission	-	140,000	-	210,000	-	-	-	350,000
	(-)	(140,000)	(-)	(210,000)	(-)	(-)	(-)	(350,000)
Dividend paid	-	24,600	54,216	22,800	132,048	-	4,051,416	4,285,080
	(-)	(157,608)	(54,408)	(22,800)	(132,048)	(-)	(4,051,416)	(4,418,280)
Dividend Received	-	-	-	-	-	19,635,000	-	19,635,000
	(-)	(-)	(-)	(-)	(-)	(19,635,000)	(-)	(19,635,000)
Legal and Professional Fees	-	82,923	-	-	-	-	-	82,923
	(-)	(76,890)	(-)	(-)	(-)	(-)	(-)	(76,890)
Amount outstanding at the end of the year								
- Payable	-	199,962	-	188,370	-	-	-	388,332
	(-)	(194,550)	(-)	(188,370)	(-)	(-)	(-)	(382,920)

NOTES: (i) Previous Year's figures are shown within Brackets.

Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

SCHEDULE - 8

NOTES FORMING PART OF THE ACCOUNTS (Contd.....)

(ii) The related parties included in the various categories above, where transactions have taken place are given below:

Subsidiary Company	New Holding And Trading Company Limited
Key Management Personnel	Mr. A. V. Setalvad Mr. A. R. Broacha
Relatives of Key Management Personnel.	Mr. H. V. Setalvad Mrs. J. A. Setalvad
Individuals having significant influence over the enterprise.	Mr. V. C. Vaidya Mr. Gaurav Swarup Mr. Vikram Swarup
Relatives of individual having significant influence over the enterprise.	Mr. Mahendra Swarup Mrs. Bindu Swarup Mr. Gyan Swarup Mr. Parul Swarup
Enterprise over which key Management Personnel exercise significant influence.	KSB Pumps Limited
Enterprises over which Individuals having significant influence over the reporting enterprise exercise significant influence.	Paharpur Cooling Towers Limited Paharpur Corporation Limited Melvin Powell Vanaspati & Engineering Industries Limited

6. Components of deferred tax:

(a) Deferred Tax Liability

<u>On account of timing Difference of Depreciation</u>	<u>As at March 31, 2009.</u>	<u>As at March 31, 2008.</u>
Depreciation	Rs.14,143	Rs.17,668

Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

SCHEDULE - 8 - NOTES FORMING PART OF THE ACCOUNTS (Contd....)

7. Earnings per Share

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the Net Profit for the year disclosed in the Profit and Loss Account.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 581780.

8. Previous year's figures have been regrouped wherever necessary to conform current year's classification.

9. Balance Sheet abstract and Company's general business profile are given below:

DISCLOSURE/DECLARATION UNDER LISTING AGREEMENT

A. DISCLOSURE UNDER CLAUSE 32

Sr. No.	Disclosure of loans/advances/investments Outstanding during the year	As at 31.03.2009 Rs.	Maximum amount during the year Rs.
1.	Loans and advances in the nature of loans to subsidiary	NIL	NIL
2.	Loans and advances in the nature of loans to associate	NIL	NIL
3.	Loans and advances in the nature of loans where there is		
	a. No repayment schedule or repayment beyond seven years of the Companies Act, 1956.	NIL	NIL
	b. No interest or interest below sec. 372A of the Companies Act, 1956	NIL	NIL
4.	Loans and advances in the nature of loans to firms/companies in which directors are interested	NIL	NIL

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<p>(1) Registration Details</p> <p>Registration No: <input style="width: 100px;" type="text" value="374"/> State Code : <input style="width: 50px;" type="text" value="11"/></p> <p style="text-align: center;">(Refer Code List)</p> <p>Balance Sheet Date <input style="width: 30px;" type="text" value="31"/> <input style="width: 30px;" type="text" value="03"/> <input style="width: 60px;" type="text" value="2009"/></p>																																	
<p>(2) Capital Raised during the year (amount in Rs. thousands)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Public issue</td> <td style="width: 50%;">Right issue</td> </tr> <tr> <td><input style="width: 100px;" type="text" value="NIL"/></td> <td><input style="width: 100px;" type="text" value="NIL"/></td> </tr> <tr> <td>Bonus issue</td> <td>Private issue</td> </tr> <tr> <td><input style="width: 100px;" type="text" value="NIL"/></td> <td><input style="width: 100px;" type="text" value="NIL"/></td> </tr> </table>	Public issue	Right issue	<input style="width: 100px;" type="text" value="NIL"/>	<input style="width: 100px;" type="text" value="NIL"/>	Bonus issue	Private issue	<input style="width: 100px;" type="text" value="NIL"/>	<input style="width: 100px;" type="text" value="NIL"/>																									
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Signatures to Schedules 1 to 8

As per our report attached
For N. M. RAIJI & CO.
 Chartered Accountants
CA. Y. N. THAKKAR
 Partner
 Membership No: 33329
 Mumbai, 27th May, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD	CHAIRMAN
A. R. BROACHA	} DIRECTORS
V. C. VAIDYA	
Mumbai, 26th May, 2009	

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Annexure to the Directors' Report

Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Subsidiary Company — New Holding And Trading Company Limited

1. The Financial Year of the Company ended on March 31, 2009.

2. Shares of the Subsidiary held by The Industrial & Prudential & Investment Company Limited
Equity –
Number 5025 fully paid-up
Extent Holding 100 %

3. The net aggregate of profits/(losses) of the Subsidiary Company so far as it concerns the members of The Industrial & Prudential Investment Company Limited –
 - (a) Not dealt with in the accounts of The Industrial & Prudential Investment Company Limited for the Year Ended March 31, 2009 amount to –
 - (i) for the subsidiary financial year ended as above Rs. 12,66,950
 - (ii) for the previous financial years of the Subsidiary since it become the Holding Company's subsidiary Rs. 2,41,50,401

 - (b) Dealt with in the accounts of The Industrial & Prudential Investment Company Limited for the year ended March 31, 2009 amount to –
 - (i) for the Subsidiary's financial year ended as ended as above Rs. Nil.
 - (ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary Rs. Nil.

For and on behalf of the Board of Directors

A. V. SETALVAD **CHAIRMAN**

A. R. BROACHA
V. C. VAIDYA } **DIRECTORS**

Mumbai, 26th, May 2009

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedule to the Balance Sheet of a Non-Banking Financial Company

as required in terms of Paragraph 9BB of

Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

(Rs. in lakhs)

	Particulars		
(1)	<p>Liabilities side: Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not Paid :</p> <p>(a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits*)</p> <p>(b) Deferred Credits (c) Term Loans (d) Inter-corporate loans and borrowing (e) Commercial Paper (f) Public Deposits* (g) Other Loans (specify nature)</p> <p>* Please see Note 1 below</p>	Amount outstanding	Amount overdue
		NIL	NIL
(2)	<p>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</p> <p>(a) In the form of Unsecured debentures (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security (c) Other public deposits</p> <p>* Please see Note 1 below</p>	NIL	NIL
	Assets side :		
(3)	<p>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</p> <p>(a) Secured (b) Unsecured</p>		
(4)	<p>Break-up of Leased Assets and stock on hire and hypothecation loans counting towards</p> <p>(i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease</p> <p>(ii) Stock on hire including hire charges under sundry debtors : (a) Assets on hire (b) Repossessed Assets</p> <p>(iii) Hypothecation loans counting towards EL/HP activities (a) Loans where assets have been repossessed (b) Loans other than (a) above</p>		NIL
(5)	<p>Break-up of Investments :</p> <p>Current Investments :</p> <p>1. Quoted :</p> <p>(i) Shares: (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)</p> <p>2. Unquoted :</p> <p>(I) Shares: (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)</p>		<p>112.37</p> <p>-</p> <p>-</p> <p>95.56</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

	Particulars	(Rs. in lakhs)		
	Long Term Investments : (AT COST)			
	1. Quoted :			
	(i) Shares : (a) Equity (AT COST)		836.70	
	(b) Preference		7.20	
	(ii) Debentures and Bonds		-	
	(iii) Units of mutual funds		-	
	(iv) Government Securities		-	
	(v) Others (please specify)		-	
	2. Unquoted :-			
	(i) Shares : (a) Equity		0.03	
	(b) Preference		-	
	(ii) Debentures and Bonds		50.00	
	(iii) Units of mutual funds		707.75	
	(iv) Government Securities		-	
	(v) Others (please specify)		-	
(6)	Borrower group-wise classification of all leased assets, stock-on-hire and Loans and advances : Please see Note 2 below			
		Amount net of provisions		
	Category	Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries			
	(b) Companies in the same group		NIL	
	(c) Other related parties			
	2. Other than related parties			
	Total			
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see note 3 below			
	Category	Market Value / Break up Or fair value or NAV	Book Value (Net of Provisions)	
	1. Related Parties **			
	(a) Subsidiaries	259.20	0.03	
	(b) Companies in the same group	-	-	
	(c) Other related parties	9485.49	174.01	
	2. Other than related parties	4228.21	1635.57	
	Total	13972.90	1809.61	
(8)	Other information			
	(i) Gross Non-Performing Assets		NIL	
	(a) Related parties			
	(b) Other than related parties			
	(ii) Net Non-Performing Assets		NIL	
	(a) Related parties			
	(b) Other than related parties			
	(iii) Assets acquired in satisfaction of debt		NIL	
	Notes:			
	1. As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998.			
	2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1998.			
	3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value / NAV in Respect of unquoted investment should be disclosed irrespectively of whether they are classified as long term or current in columns (5) above.			

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

STATEMENT OF NET OWNED FUNDS AS ON MARCH 31, 2009

(Rs. in thousand)

	AMOUNT
i Paid-up Equity Capital	5821
ii Free Reserves	174976
iii Total (i + ii)	180797
iv Accumulated balance of loss	-
v Deferred Revenue Expenditure	-
vi Other intangible assets	-
vii Total (iv+v+vi)	-
viii Owned Funds (iii - vii)	180797
ix Investment in shares of :	
a. Subsidiaries	3
b. Companies in the same Group	-
c. Other non-banking financial companies	-
x The book value of debentures, bonds, outstanding loans and advances made to and deposits with :	
a. Subsidiaries	-
b. Companies in the same Group	-
xi Total {ix (a) + ix (b) + ix (c) + x (a) + x (b)}	3
xii Amount of item xi in excess of 10 % of item viii above.	-
xiii Net Owned Funds (viii - xii)	180794

As per our report attached

For N. M. RAIJI & CO.
Chartered Accountants

CA. Y. N. THAKKAR
Partner
Membership No: 33329
Mumbai, 27th May, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD **CHAIRMAN**

A. R. BROACHA }
V. C. VAIDYA } **DIRECTORS**

Mumbai, 26th May, 2009

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Consolidated Balance Sheet As At 31st March 2009

	SCHEDULE		As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	5,821,122		5,821,122
Reserves and Surplus	2	<u>200,958,770</u>		<u>178,495,575</u>
			206,779,892	<u>184,316,697</u>
DEFERRED TAX LIABILITY			<u>14,143</u>	<u>17,668</u>
			<u>206,794,035</u>	<u>184,334,365</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross block	3	1,075,043		1,073,293
Less: Depreciation		<u>960,063</u>		<u>926,382</u>
Net block			114,980	<u>146,911</u>
INVESTMENTS	4		204,227,239	166,887,962
CURRENT ASSETS, LOANS AND ADVANCES				
Current Assets		11,875,054		26,516,720
Loans and Advances		<u>757,056</u>		<u>801,765</u>
		<u>12,632,110</u>		<u>27,318,485</u>
Less:				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	6	2,012,452		1,850,217
Provisions		<u>8,167,842</u>		<u>8,168,776</u>
		<u>10,180,294</u>		<u>10,018,993</u>
NET CURRENT ASSETS			2,451,816	<u>17,299,492</u>
			<u>206,794,035</u>	<u>184,334,365</u>
NOTES FORMING PART OF THE ACCOUNTS				
	8			

As per our report attached

For N. M. RAIJI & CO.
Chartered Accountants

CA. Y. N. THAKKAR
Partner
Membership No: 33329
Mumbai, 27th May, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD **CHAIRMAN**

A. R. BROACHA }
V. C. VAIDYA } **DIRECTORS**

Mumbai, 26th May, 2009

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Consolidated Profit And Loss Account For The Year Ended 31st March 2009

	SCHEDULE	2008 - 2009 Rupees	2007 - 2008 Rupees
INCOME			
Dividend on Investments (Gross)			
Long Term		33,141,706	29,666,298
Current		<u>567,159</u>	<u>188,201</u>
		33,708,865	29,854,499
Profit on sale of Long Term Investments (Net)		2,842,165	3,940,142
Profit on sale of Current Investments (Net)		293,112	2,506,330
Sudry Interest (including tax deducted at source Rs. 4591 (Previous year Rs. NIL.)		22,286	-
Miscellaneous Income		9,262	7,545
		<u>36,875,690</u>	<u>36,308,516</u>
EXPENDITURE			
Management expenses	7	2,051,052	2,010,574
Provision for diminution in the value of Current Investments		4,012,886	2,538,996
Interest		20,688	74,737
Depreciation		33,681	47,947
		<u>6,118,307</u>	<u>4,672,254</u>
Profit before Tax		30,757,383	31,636,262
Less: Provision for Taxation			
Current Tax			
- for the year		-	400,000
- relating to earlier years		125,052	23,292
Deferred Tax		(3,525)	(4,045)
Fringe Benefit Tax		<u>4,819</u>	8,620
		126,346	<u>427,867</u>
Profit after Tax		<u>30,631,037</u>	31,208,395
Add: Balance as per last Balance Sheet.		83,750,675	70,525,122
Amount available for appropriations		<u>114,381,712</u>	<u>101,733,517</u>
Less: Appropriations			
Transfer to			
Special reserve		6,260,000	6,425,000
General reserve		3,200,000	3,390,000
Proposed Dividend		6,981,360	6,981,360
Tax on Proposed Dividend		1,186,482	1,186,482
Balance Carried to balance sheet		96,753,870	83,750,675
		<u>114,381,712</u>	<u>101,733,517</u>
Basic and Diluted Earning per Equity Share (Nominal Value per share Rs. 10)		52.65	53.64
NOTES FORMING PART OF THE ACCOUNTS	8		

As per our report attached

For N. M. RAIJI & CO.
Chartered Accountants

CA. Y. N. THAKKAR
Partner
Membership No: 33329
Mumbai, 27th May, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD **CHAIRMAN**

A. R. BROACHA }
V. C. VAIDYA } **DIRECTORS**

Mumbai, 26th May, 2009

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Consolidated Cash Flow For The Year Ended 31st March 2009

	31.03.2009 Rupees	31.03.2008 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES.		
Net Profit before tax	30,757,383	31,636,262
Adjusted for		
Depreciation	33,681	47,947
Investment income	(36,844,142)	(36,300,971)
Provision for diminution in the value of Investments (Net).	4,012,886	2,538,996
	<u>(32,797,575)</u>	<u>(33,714,028)</u>
Operating (Loss) before Working Capital Changes	(2,040,192)	(2,077,766)
Changes in		
Trade & Other Receivable	(286,193)	34,073
Trade Payables	5,183	(46,632)
NET CASH USED IN OPERATING ACTIVITIES	<u>(2,321,202)</u>	<u>(2,090,325)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,750)	(15,004)
Purchase of Investments	(159,354,706)	(149,826,410)
Sale of Investments	121,137,820	146,854,159
Dividend Received	33,708,865	29,854,499
Cash Generated from Investing Activities	(4,509,771)	26,867,244
Direct Taxes Paid	(80,296)	(963,855)
NET CASH FROM INVESTING ACTIVITIES	<u>(4,590,067)</u>	<u>25,903,389</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Loan Taken	-	-
Loan Repaid	-	-
Dividend Paid	(6,824,308)	(6,898,178)
Tax on Dividend	(1,186,482)	(1,186,482)
NET CASH USED IN FINANCIAL ACTIVITIES	<u>(8,010,790)</u>	<u>(8,084,660)</u>
NET CHANGES IN CASH & CASH EQUIVALENT (A+B+C)	<u>(14,922,059)</u>	<u>15,728,404</u>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	<u>26,508,931</u>	<u>10,780,527</u>
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	<u>11,586,872</u>	<u>26,508,931</u>

NOTES:

- 1 All figures in brackets are outflows.
- 2 Cash and Cash equivalents is Cash and Bank Balances as per Balance sheet.
- 3 Previous year's figures have been regrouped wherever necessary.

As per our report attached

For N. M. RAIJI & CO.
Chartered Accountants

CA. Y. N. THAKKAR
Partner
Membership No: 33329
Mumbai, 27th May, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD **CHAIRMAN**

A. R. BROACHA
V. C. VAIDYA } **DIRECTORS**

Mumbai, 26th May, 2009

CONSOLIDATED
THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Balance Sheet As At 31st March 2009

SCHEDULE - 1 - SHARE CAPITAL

Authorised:
10,00,000 Equity Shares of Rs. 10 each.

Issued, Subscribed and Paid-up:
5,81,780 Equity Shares of Rs. 10 each
Forfeited Shares

As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<u>10,000,000</u>	<u>10,000,000</u>
<u>5,817,800</u>	<u>5,817,800</u>
<u>3,322</u>	<u>3,322</u>
<u>5,821,122</u>	<u>5,821,122</u>

SCHEDULE - 2 - RESERVES AND SURPLUS

Capital Reserve
Balance as per last Balance Sheet

General Reserve
Balance as per last Balance Sheet
Add: Transferred from Profit and Loss Account

Special Reserve
(in terms of Section 45-IC of Reserve Bank of India)
Balance as per last Balance Sheet.
Add: Transferred from Profit and Loss Account

Profit and Loss Account

As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<u>64,900</u>	<u>64,900</u>
<u>47,600,000</u>	<u>44,210,000</u>
<u>3,200,000</u>	<u>3,390,000</u>
<u>50,800,000</u>	<u>47,600,000</u>
<u>47,080,000</u>	<u>40,655,000</u>
<u>6,260,000</u>	<u>6,425,000</u>
<u>53,340,000</u>	<u>47,080,000</u>
<u>96,753,870</u>	<u>83,750,675</u>
<u>200,958,770</u>	<u>178,495,575</u>

SCHEDULE - 3 - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008 Rupees	Additions during the Year Rupees	Deductions/ Adjustments during the Year Rupees	As at 31.03.2009 Rupees	As at 01.04.2008 Rupees	For the Year Rupees	Deductions/ Adjustments during the Year Rupees	As at 31.03.2009 Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
1 Office Premises	151,532	-	-	151,532	112,186	1,967	-	114,153	37,379	39,346
2 Furnitures, Fixtures and Fittings	380,480	-	-	353,143	358,143	3,328	-	361,471	19,009	22,337
3 Office Equipments	101,061	-	-	101,061	72,491	3,973	-	76,464	24,597	28,570
4 Computers and Systems	440,220	1,750	-	441,970	383,562	24,413	-	407,975	33,995	56,658
TOTAL	<u>1,073,293</u>	<u>1,750</u>	<u>-</u>	<u>441,970</u>	<u>383,562</u>	<u>33,681</u>	<u>-</u>	<u>960,063</u>	<u>114,980</u>	<u>146,911</u>
Previous year:	1,058,289	15,004	-	1,073,293	878,435	47,947	-	926,382	146,911	179,853

NOTE : Office Premises includes Rs. 250 being the cost of shares in Co-operative Society.

CONSOLIDATED

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Balance Sheet As At 31st March 2009

SCHEDULE - 4 - INVESTMENTS

Name of the Company	Face Value Rupees	Number of Holding	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
I. A Quoted Long Term				
(a) Equity Shares (Fully Paid)				
A.C.C. Limited	10	7,000	438,452	438,452
Amara Raja Batteries Limited	2	52,500	1,004,159	1,004,159
Andhra Cements Limited	10	40,000	1,553,275	1,553,275
Areva T and D India Limited (Alstom Ltd.)	10	50,000	1,024,382	1,024,382
BASF India Limited	10	7,800	1,199,818	1,319,292
Bharat Earth Movers Limited	10	8,500	1,876,742	1,876,742
Bharat Electronics Limited	10	3,000	1,195,858	1,195,858
Bharat Forge Limited	2	16,000	1,383,093	1,383,093
Bharti Airtel Limited	10	7,500	1,578,683	1,578,683
Bosch Limited	10	2,000	11,393	11,393
Cambridge Solution Limited	10	100	153,532	153,532
Century Textile Limited	10	1,000	425,966	425,966
Dish TV India Limited	1	6,612	136,640	136,640
Dr. Reddy's Laboratories Limited	5	4,000	2,028,636	2,028,636
Gail India Limited	10	28,500	4,322,177	4,322,177
GlaxoSmithkline Pharmaceuticals Limited	10	1,000	1,099,536	1,099,536
Great Eastern Shipping Company Limited	10	30,400	5,056,755	5,056,755
Great Offshore Limited	10	7,600	1,295,761	1,295,761
GTL Limited	10	4,000	1,035,555	1,035,555
GTL Infrastructure Limited	10	8,000	182,417	182,417
Hindustan Unilever Limited	1	73,000	190,867	190,867
ICICI Bank Limited	10	6	2,500	2,500
IDBI Limited	10	15,000	1,170,130	1,170,130
IDFC Limited	10	-	-	1,055,106
Indian Hotels Company Limited	1	79,200	1,507,820	583,820
Infosys Technologies Limited	5	112,800	5,256,641	5,256,642
ISMT (Indian Seamless Metal Tubes) Limited	10	43,750	737,741	737,741
ITC Limited	1	9,000	1,127,463	1,127,463
Karur Vysya Bank Limited	10	19,200	1,922,508	1,922,508
KSB Pumps Limited	10	3,700,000	28,409,324	28,409,324
Monsanto India Limited	10	800	673,359	673,359
MTNL Limited	10	7,000	1,435,407	1,435,407
Nagarjuna Construction Limited	2	54,000	1,458,262	1,458,262
Nestle India Limited	10	14,000	177,657	177,657
Neyveli Lignite Corporation Limited	10	10,000	402,413	402,413
NTPC Limited	10	21,000	1,683,921	1,683,921
Onward Technologies Limited	10	2,500	328,321	328,321
Orient Abrasive Limited	1	45,000	1,262,592	1,262,592
Piramal Glass Limited. (Gujarat Glass Ltd)	10	968	-	-
Piramal Health Limited.(Nicholas Piramal India Ltd.)	2	20,000	1,556,960	1,556,960
Piramal Life Sciences Limited	10	2,000	326,383	-
Praj Industries Limited	2	19,000	2,415,485	2,415,485
PVP Ventures Limited.(SSI Ltd)	10	100	153,533	153,533
Ranbaxy Laboratories Limited	5	5,173	922,607	1,712,164
Reliance Communication Venture Limited	10	8,000	1,083,150	1,083,150
Reliance Industries Limited	10	8,000	1,455,357	1,455,357
Selan Exploration Technology Limited	10	10,000	804,671	804,671
Seamec Limited	10	8,000	1,506,941	1,506,941
Siemens Limited	2	25,000	194,598	194,598

Continued.....

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THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED
Schedules Forming Part Of The Balance Sheet As At 31st March 2009

SCHEDULE - 4 - INVESTMENTS (Continued.....)

Name of the Company	Face Value Rupees	Number of Holding	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
State Bank of India	10	7,100	3,947,023	3,947,023
Tata Chemicals Limited	10	700	43,888	43,888
Tata Consultancy Services Limited	1	7,000	6,671,003	6,671,003
Tata Motors Limited	10	10,000	970,285	970,285
Tata Power Company Limited	10	26,000	779,633	779,633
Tata Steel limited	10	15,721	2,564,325	2,564,325
Tata Teleservices (Maharashtra) Limited	10	80,000	2,039,111	2,039,111
Titan Industries Limited	10	14,000	2,630,224	2,630,224
TV TODAY Network Limited	5	8,000	840,563	840,563
Wire & Wireless (India) Limited	10	5,750	301,891	301,891
Zee Entertainment Enterprises Limited	1	11,500	1,379,893	1,379,893
Zee News Limited	10	5,198	147,015	147,015
Sub Total - a.			107,484,298	108,198,050
(b) Cumulative Compulsory Convertible Preference Share (Fully Paid)				
Tata Steel Limited - CCCPS	100	11,790	1,179,000	1,179,000
Sub - Total -b.			1,179,000	1,179,000
Total A [a + b]			108,663,298	109,377,050
B Unquoted Long Term				
(a) Equity Shares (Fully Paid)				
(i) Others				
Niyuprene Plastics Company Limited	10	1,000	1	1
Piramal Life Sciences Limited	10	-	326,383	
Siltronics (India) Limited	10	30	390	390
Sub Total - (i)			391	326,774
(ii) Debentures:				
Citifinancial Consumer Financial India Limited (NCD) Series 400	100000	50	5,000,000	-
Sub Total - (ii)			5,000,000	-
Sub Total - a (i + ii)			5,000,391	326,774
(b) Mutual Fund				
JM Mutual Fund				
Arbitrage Adventure Fund-Div. Payout (156)	10	208,820	2,135,536	35,468,720
Money Manager - Super Plus Plan - Div. Payout			-	5,332,265
G-SEC Regular Dividend Payout	10	1,418,299	20,000,000	-
Birla Sunlife Income Plus - Qrt. Dividend Payout	10	1,713,326	20,000,000	-
ICICI Prudential Income Plan - Qrt. Dividend Payout	10	2,325,293	30,000,000	-
Kotak Mahindra Mutual Fund				
Kotak Contra - Option Div. Payout	10	4,890	50,000	50,000
Principal Mutual Fund				
Junior Cap Fund - Option - Div. Payout	10	10,000	100,000	100,000
Master Plus - 1991 Unit Trust of India	10	40,000	775,039	775,039
Sub Total - (b)			73,060,575	41,726,024
Sub Total - B (a + b)			78,060,966	42,052,798
TOTAL - I (A + B)			186,724,264	151,429,848
LESS: Provision for diminution in the Value of Investments			3,289,677	3,289,677
TOTAL - I			183,434,587	148,140,171

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THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Balance Sheet As At 31st March 2009

SCHEDULE - 4 - INVESTMENTS (Continued.....)

Name of the Company	Face Value Rupees	Number of Holding	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
II A Quoted Current				
(a) Equity Shares (Fully Paid)				
Bharat Heavy Electrical Limited	10	300	451,305	616,965
Bharti Airtel Limited	10	4,000	1,458,549	1,640,868
Infosys Technologies Limited	5	300	397,230	429,045
Infrastructure Development Finnacle Limited	-	-	1,024,752	
Jaiprakash Industries Limited	2	2,900	244,180	657,140
Larsen & Toubro Limited	2	1,400	732,471	1,046,387
Lupin Limited	10	2,900	1,600,777	1,432,310
Mahendra & Mahendra Limited	10	3,942	1,510,574	3,437,902
Praj Industries Limited	-	-	680,750	
Punj Lloyd Limited	2	1,500	136,725	467,325
Reliance Industries Limited	10	900	1,370,880	1,728,650
Reliance Communication Limited	10	2,500	436,500	727,494
Siemens Limited	2	350	94,325	864,221
Tata Consultancy Services Limited	1	800	432,000	615,517
Titan Industries Limited	10	2,925	2,281,208	2,443,290
Tata Motors Limited	10	500	90,1500	935,175
Sub Total (a)			11,236,874	18,747,791
(b) Mutual Fund				
Benchmark Mutual Fund - LiquidBees (PP)	1000	9,556	9,555,779	-
Sub Total (a)			9,555,779	-
TOTAL II [(a) + (b)]			20,792,653	18,747,791
TOTAL OF (I + II)			204,227,240	166,887,962
Aggregate Cost of Quoted Investments			129,455,951	128,124,841
Aggregate Cost of Unquoted Investments			78,060,966	42,052,798
Market Value of Quoted Investments			1,350,050,465	1,773,631,986

**SCHEDULE - 5 - CURRENT ASSETS,
LOANS AND ADVANCES**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
(a) Current Assets		
(i) Trade Receivables	3,799	7,789
(ii) Cash and Bank Balances with scheduled Banks.		
In Current Accounts	10,308,610	25,376,166
In Dividend Accounts	1,269,503	1,112,428
Cash on Hand	8,759	20,337
	11,586,872	26,508,931
(iii) Outstanding Dividend	284,383	-
	11,875,054	26,516,720
(b) Loans and Advances.		
(Unsecured and considered good)		
Advance recoverable in cash or in kind or for value to be received	29,327	23,527
Advance payment of Income-tax (Net of Provision)	727,520	778,238
Shares Application Money	209	
	757,056	801,765
	12,632,110	27,318,485

**SCHEDULE - 6 - CURRENT LIABILITIES
AND PROVISIONS**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
(a) Current Liabilities :		
Other Liabilities	742,949	737,745
Unclaimed Dividend	1,269,503	1,112,472
	2,012,452	1,850,217
(b) Provisions :		
Proposed Dividend	6,981,360	6,981,360
Tax on Proposed Dividend	1,186,482	1,186,482
Fringe Benefit Tax Payable	-	934
	8,167,842	8,186,776
	10,180,294	10,018,993

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THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

SCHEDULE - 7 - MANAGEMENT EXPENSES

	2008-2009	2007-2008
	<i>Rupees</i>	<i>Rupees</i>
Salaries	392,224	346,224
Legal and Professional Fees	600,306	436,590
Printing and Stationary	61,411	74,282
Rates and Taxes	104,865	105,017
Miscellaneous Expenses	364,901	510,788
Directors' Sitting Fees	75,250	84,250
Auditors' Remuneration:		
Audit Fees	43,000	43,371
For Certifications on Consolidated Financial Statements, Limited review etc.	33,000	33,000
For Expenses	10,022	11,096
	86,022	87,467
Commision to Directors	350,000	350,000
Repairs and Maintenance Expenses	16,073	15,956
	2,051,052	2,010,574

Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

SCHEDULE - 8 -

NOTES FORMING PART OF THE ACCOUNTS

1. ACCOUNTING POLICIES:

(a) Fixed Assets

Fixed assets are stated at cost less depreciation. Cost comprises the cost of acquisition and any attributable costs of bringing the asset to the condition for its intended use.

(b) Depreciation

Depreciation is provided on the written down value method prescribed in Schedule XIV of the Companies Act, 1956.

(c) Investments

(i) Investments have been categorised as Long Term or Current by the Board of Directors.

(ii) Long Term Investments are stated at cost plus brokerage and other relevant charges. A Provision for diminution is made to recognise a decline, other than temporary, if any.

(iii) Current Investments are valued at lower of Cost or Marketvalue.

(d) Revenue Recognition

Dividend Income from Investment is recognised when right to receive the payment is established.

(e) Retirement Benefits

The Company does not have any Retirement Benefits specifically laid down.

(f) Taxes on Income:

(i) Current Tax

Provision for Income Tax is determined in accordance with the provisions the Income Tax Act, 1961.

(ii) Deferred Tax

Deferred tax is recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

(g) Provisions and Contingent Liabilities:

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THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

- (i) A provision is recognised when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.
- (ii) A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of out flow of resources is remote, no provision or disclosure is made.
2. The consolidated Financial Statements are prepared in accordance with Accounting standard (AS) 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements Comprise the financial statement of the Industrial & Prudential Investment Company Limited and its wholly owned subsidiary "New Holding and Trading Company Limited", which is incorporated in India.
3. **Contingent liabilities not provided for in respect of:**
- (i) Disputed Taxation Matters Rs. 8,50,373/- (Previous year Rs. 8,30,084/-).
4. The investment activity is considered as a single segment in accordance with the Accounting Standard (AS) 17 "Segment Reporting".

5. Related Party Disclosures:

A. Related Party Transactions:

Nature of Transactions	Key Management Personnel	Relatives of Key Management personnel	Individuals having Significant influence over the enterprise.	Relatives of Individuals having significant influence over the enterprise.	Enterprise over which Key Management Personnel exercise significant influence	Enterprise over which Individuals having significant influence over the reporting enterprise exercise significant influence.	TOTAL
Directors' Sitting Fees (67,500)	64,500	-	10,750	-	-	-	75,250
		(-)	(16,750)	(-)	(-)	(-)	(84,250)
Commission (140,000)	140,000	-	210,000	-	-	-	350,000
		(-)	(210,000)	(-)	(-)	(-)	(350,000)
Dividend paid (157,608)	24,600	54,216	22,800	132,048	-	4,051,416	4,285,080
		(54,408)	(22,800)	(132,048)	(-)	(4,051,416)	(4,418,280)
Dividend Received	-	-	-	-	20,350,000	-	20,350,000
	(-)	(-)	(-)	(-)	(20,350,000)	(-)	(20,350,000)
Legal and Professional Fees (76,890)	82,923	-	-	-	-	-	82,923
		(-)	(-)	(-)	(-)	(-)	(76,890)
Amount outstanding at the end of the year							
- Payable (194,550)	199,962	-	188,370	-	-	-	388,332
		(-)	(188,370)	(-)	(-)	(-)	(382,920)

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THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED
Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

NOTES:

- (i) Previous Year's figures are shown within Brackets.
(ii) The related parties included in the various categories above, where transactions have taken place are given below:

Key Management Personnel

Mr. A. V. Setalvad
Mr. A. R. Broacha

Relatives of Key Management Personnel.
Individuals having significant influence over the enterprise.

Mr. H. V. Setalvad
Mrs. J. A. Setalvad
Mr. V. C. Vaidya
Mr. Gaurav Swarup
Mr. Vikram Swarup

Relatives of individual having significant influence over the enterprise.

Mr. Mahendra Swarup
Mrs. Bindu Swarup
Mr. Gyan Swarup
Mr. Parul Swarup

Enterprise over which key Management Personnel exercise significant influence.

KSB Pumps Limited

Enterprises over which Individuals having significant influence over the reporting enterprise exercise significant influence.

Paharpur Cooling Towers Limited
Paharpur Corporation Limited
Melvin Powell Vanaspati & Engineering Industries Limited

6. Components of deferred tax:

(a) Deferred Tax Assets

On account of timing difference of Depreciation

As at March 31, 2009
Rs.14,143

As at March 31, 2008
Rs.17,668

7. Earnings per Share

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the Net Profit for the year disclosed in the Profit and Loss Account.
(b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 581780.

8 Previous year's figures have been regrouped wherever necessary to conform current year's classification.

Signatures to Schedules 1 to 8

As per our report attached

For N. M. RAIJI & CO.
Chartered Accountants

CA. Y. N. THAKKAR
Partner

Membership No: 33329
Mumbai, 27th May, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD } **CHAIRMAN**

A. R. BROACHA
V. C. VAIDYA } **DIRECTORS**

Mumbai, 26th May, 2009

Auditors' Report On The Consolidated Financial Statements

**TO THE BOARD OF DIRECTORS OF
THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

1. We have audited the attached Consolidated Balance Sheet of The Industrial & Prudential Investment Company Limited (the Company) and its subsidiary, as at 31st March 2009, and also the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding component. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable 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.
3. We did not audit the financial statements of subsidiary, New Holding and Trading Company Limited, whose financial statements reflect total assets of Rs. 2,59,19,851 as at 31st March 2009, the total revenues of Rs. 13,38,982 and cash outflows amounting to Rs. 12,61,956 for the year then ended. These financial statements and other financial information have been audited by the other auditor whose report has been furnished to us, and our opinion is based solely on the report of the other auditor.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the component, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements read together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the State of affairs of the Company and its subsidiary as at 31st March 2009;
 - (b) in the case of the Consolidated Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flow for the year ended on that date.

For **N. M. RAIJI & CO.**,
Chartered Accountants

Y.N. THAKKAR
Partner

Membership No: 33329

Place : Mumbai
Date : 27th May, 2009

NEW HOLDING AND TRADING COMPANY LIMITED

Board's Report

Your Directors beg to submit their report and audited Balance Sheet and Profit and Loss Account of the Company for the year ended March 31, 2009.

1. ACCOUNTS:

	<u>2008-2009</u>	<u>Rs. in lacs</u> <u>2007-2008</u>
Income	13.39	12.08
Expenses	0.72	1.03
Profit / (Loss) before Taxation	<u>12.67</u>	<u>11.05</u>
Net Profit / (Loss)	12.67	11.05
Add / (Less): Taxation in respect of earlier years	-	(0.24)
Add: Balance brought forward from Balance Sheet	82.70	76.14
Profit for Appropriation	<u>95.37</u>	<u>86.95</u>
Appropriation:		
Special Reserve (in terms of Section 45-IC of RBI Act, 1934)	2.60	2.25
General Reserve	2.00	2.00
Balance Carried to Balance Sheet	<u>90.77</u>	<u>82.70</u>
	<u>95.37</u>	<u>86.95</u>

2. DIVIDEND:

The Directors do not recommend any dividend for the year.

3. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. A. R. Broacha retire by rotation and, being eligible, offer himself for re-appointment.

4. AUDITORS:

You are requested to appoint auditors for the current year and to fix their remuneration. The retiring auditors, Messrs C. M. Gabhawala & Co., Chartered Accountants, are eligible and offer themselves for re-appointment. The Company has received a certificate from Messrs C. M. Gabhawala & Co. to the effect that their re-appointment, if made, will be within the prescribed limits in accordance with Section 224 (1-B) of the Companies Act, 1956.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of The Companies Act, 1956, the Board of Directors report that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- accounting policies have been selected and applied consistently and that the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of The Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts have been prepared on a going concern basis.

6. EMPLOYEES:

The Company has no employees covered under Section 217 (2A) of the Companies Act, 1956.

Registered Office :
125, Maker Chambers III,
Nariman Point,
Mumbai, 400 021.
Mumbai, April 30, 2009

For and on behalf of the Board of Directors

A. V. SETALVAD
Chairman

The Members,

NEW HOLDING AND TRADING COMPANY LIMITED

We have audited the attached Balance Sheet of **NEW HOLDING AND TRADING COMPANY LIMITED** as at **31st March 2009** and the annexed Profit & Loss Account of the Company and the annexed Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted the audit in accordance with Auditing Standards generally accepted in India. Those Standards required 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 the audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) Order 2003, issued by the Central government of India under sub section 4A of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.
2. Further to our comments in paragraph (1) above:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of books.
 - (c) In our opinion, the Balance Sheet, Profit & Loss A/c and Cash flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act 1956.
 - (d) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (e) In our opinion and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2009 from being appointed as directors in term of clause (g) of Sub section (1) of section 274 of The Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanation given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance Sheet of state of affairs of the Company as at 31st 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 the Cash Flow Statement, of the cash flow for the year ended on that date.

For C. M. GABHAWALA & CO.
CHARTERED ACCOUNTANT

BIREN C. GABHAWALA
PARTNER
Members No. 40496

Place: Mumbai
Date: April 30th, 2009

Annexure To Auditor's Report

(Pursuant to the Companies (Auditor's Report) Order, 2003, hereinafter referred to as the 'Order')

1. The Company does not have any fixed assets. Accordingly paragraphs 4 (i)(a), (b) and (c) of the Order are not applicable to the Company.
2. The Company does not have any inventory, hence sub clause (a), (b) and (c) of clause (ii) of para 4 of the order are not applicable to the Company.
3. (a) 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. Hence sub clause (a), (b), (c), (d) of clause (iii) of para 4 of the Order are not applicable to the Company.
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (e), (f), (g), of clause (iii) of para 4 of the Order is not applicable to the company.
4. According to information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business. No major weaknesses have been noticed in the internal control system, during the course of the Audit.
5. During the year the Company has not entered into any contracts or arrangements referred to in Section 301 of the Companies Act, 1956. Accordingly sub clause (b) of para 4 of the Order is not applicable to the Company.
6. The Company has not accepted any public deposits during the year under review.
7. The Company does not require to have formal internal audit system.
8. The Central Government has not prescribed any cost records to be maintained by the Company.
9. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts were outstanding as on the last day of the financial year for a period exceeding six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of Income tax which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses as at 31st March 2009. The Company has not incurred any cash loss during the financial year covered by our audit and also in the Immediately preceding financial year.
11. The Company has neither borrowed funds from financial institutions, banks nor issued any debentures, accordingly paragraph 4 (xi) of the Order is not applicable to the Company.
12. The Company has not granted any loans and Advances on the basis of securities by way of pledge of shares, debentures and other securities. Accordingly, clause (xii) of para 4 of the Order is not applicable to the Company.

Annexure To Auditor's Report

13. In our opinion and according to information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of sub clause (a), (b), (c), (d) of clause (xiii) of para 4 of the Order, are not applicable to the Company.
14. The Company being an Investment Company, has maintained proper records of the transactions and contracts relating to dealings in shares, securities and other investments and has made timely entries. The shares, securities and other investments are held by the Company in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956.
15. The Company has not given any guarantee for loans taken by others from banks or financial Institutions. Accordingly, provisions of clause (xv) of the Order are not applicable to the Company.
16. The Company has not taken any term loans during the year, hence the provisions of clause (xvi) of the Order are not applicable to the Company.
17. The Company has neither raised short term nor long term funds during the year under consideration.
18. The Company has not made any preferential allotment of shares during the year. Accordingly, provisions of clause (xviii) of para 4 of the Order are not applicable to the Company.
19. The Company has not issued any debentures during the year and accordingly, the provisions of clause (xix) of para 4 of the Order are not applicable to the Company.
20. The Company has not made any public issues during the year and accordingly the provisions of clause (xx) of para 4 of the Order are not applicable to the Company.
21. Based on the audit procedures performed and according to the information and explanations given to us and representation made by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For C. M. GABHAWALA & CO.
CHARTERED ACCOUNTANT

BIREN. C. GABHAWALA
PARTNER
Membership No. 40496

Place: Mumbai
Date: April 30th, 2009

NEW HOLDING AND TRADING COMPANY LIMITED

Balance Sheet As At 31st March 2009

	SCHEDULE		As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	502,500		502,500
Reserves and Surplus	2	<u>25,417,351</u>	<u>25,919,851</u>	<u>24,150,401</u>
			<u>25,919,851</u>	<u>24,652,901</u>
APPLICATION OF FUNDS				
INVESTMENTS	3		23,268,961	23,268,961
CURRENT ASSETS, LOANS AND ADVANCES	4			
Current Assets		2,674,312		1,412,356
Loans and Advances		-		-
		<u>2,674,312</u>		<u>1,412,356</u>
Less:				
CURRENT LIABILITIES AND PROVISIONS	5			
Current Liabilities		23,422		28,416
Provisions		-		-
		<u>23,422</u>		<u>28,416</u>
NET CURRENT ASSETS			2,650,890	1,383,940
			<u>25,919,851</u>	<u>24,652,901</u>
NOTES FORMING PART OF THE ACCOUNTS	7			

As per our report attached

For **C. M. GABHAWALA & Co.,**
Chartered Accountants

BIREN C. GABHAWALA
Partner
Membership No. 40496
Mumbai, April 30, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD CHAIRMAN

A. R. BROACHA }
V. C. VAIDYA } DIRECTORS

NEW HOLDING AND TRADING COMPANY LIMITED

Profit And Loss Account For The Year Ended 31st March, 2009

	SCHEDULE	2008-2009 Rupees	2007-2008 Rupees
INCOME			
Dividend on investments		1,338,982	1,207,593
Profit on sale of investments		-	9
		<u>1,338,982</u>	<u>1,207,602</u>
EXPENDITURE			
Management expenses	6	72,032	102,825
		<u>72,032</u>	<u>102,825</u>
Profit before Tax		1,266,950	1,104,777
Provision for Tax		-	-
Profit after Tax		1,266,950	1,104,777
Less: Provision for taxation in respect of earlier years (net)		-	(23,292)
Balance brought forward		8,270,401	7,613,916
Amount available for appropriations		<u>9,537,351</u>	<u>8,695,401</u>
Appropriations			
Transfer to			
Special reserve		260,000	225,000
General reserve		200,000	200,000
Balance Carried to balance sheet		9,077,351	8,270,401
		<u>9,537,351</u>	<u>8,695,401</u>
Basic and Diluted Earning per Equity Share (Nominal Value per Share Rs. 100/-)		252.13	215.22

NOTE FORMING PART OF THE ACCOUNTS 7

As per our report attached

For C. M. GABHAWALA & Co.,
Chartered Accountants

BIREN C. GABHAWALA
Partner
Membership No. 40496
Mumbai, April 30, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD

CHAIRMAN

A. R. BROACHA
V. C. VAIDYA

DIRECTORS

NEW HOLDING AND TRADING COMPANY LIMITED

Cash Flow For The Year Ended March 31, 2009

	31.03.2009	31.03.2008
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES.		
Net Profit/Loss before tax and extra ordinary items.	1,266,950	1,104,777
Adjusted for		
Investment income	(1,338,982)	(1,207,602)
Provision for diminution in value of investment	-	-
	(1,338,982)	(1,207,602)
Operating Profit/(Loss) before Working Capital Changes	(72,032)	(102,825)
Changes in		
Trade & Other Receivable	-	31,000
Trade Payables	(4,994)	(45,065)
Cash Generated from Operations	(4,994)	(162,125)
Direct Tax Paid (Net)	-	-
NET CASH FROM OPERATING ACTIVITIES	(77,026)	(57,760)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	-	(1,759,000)
Sale of Investments	-	9
Interest Received	-	-
Dividend Received	1,338,982	1,207,593
Direct Taxes Paid	-	(26,292)
NET CASH FROM INVESTING ACTIVITIES	1,338,982	(577,690)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Loan Taken	-	-
Loan Repaid	-	-
NET CASH USED IN FINANCIAL ACTIVITIES	-	-
NET CHANGES IN CASH & CASH EQUIVALENT (A+B+C+)	1,261,956	(635,450)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	1,412,356	2,047,806
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	2,674,312	1,412,356

For and on behalf of the Board Of Directors

A. V. SETALVAD CHAIRMAN

Mumbai,
Date: 30th, April 2009

A. R. BROACHA }
V. C. VAIDYA } DIRECTORS

AUDITORS CERTIFICATE

To
The Board of Directors
NEW HOLDING AND TRADING COMPANY LIMITED
125 Maker Chambers III, Nariman Point, Mumbai - 400021.

We have examined the attached Cash Flow Statement of NEW HOLDING AND TRADING COMPANY LIMITED for the year ended 31st March, 2009. The Statement has been prepared by the Company and in agreement with the books and records of the Company and also the Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

AS PER OUR REPORT OF EVEN DATE
FOR C. M. GABHAWALA & CO.
CHARTERED ACCOUNTANTS
BIREN C. GABHAWALA
PARTNER
MEM. NO. 40496
PLACE : MUMBAI
DATE : April 30th, 2009

Schedules Forming Part Of The Balance Sheet As At 31st March 2009

SCHEDULE - 1 - SHARE CAPITAL

Authorised:

840 Non-Cumulative Redeemable Preference Shares of Rs. 100 each
 9,035 Equity Shares of Rs. 100 each.
 125 Unclassified Shares of Rs. 100 each

Issued, Subscribed and Paid-up:

5,025 Equity Shares of Rs. 100 each
 fully paid-up (of the above 5,000 Equity Shares of Rs. 100 each allotted as fully paid up Bonus Shares by Capitalisation of General Reserve).

The entire Share capital is held by The Industrial & Prudential Investment Company Limited and its Nominees.

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
	84,000	84,000
	903,500	903,500
	12,500	12,500
	<u>1,000,000</u>	<u>1,000,000</u>
	502,500	502,500
	<u>502,500</u>	<u>502,500</u>

SCHEDULE - 2 - RESERVES AND SURPLUS

Special Reserve

Balance as per last Balance Sheet
 Add: Transferred from Profit and Loss Account

General Reserve

Balance as per last Balance Sheet
 Add: Transfer from Profit & Loss Account

Profit and Loss Account

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
	5,580,000	5,355,000
	260,000	225,000
	5,840,000	5,580,000
	10,300,000	10,100,000
	200,000	200,000
	10,500,000	10,300,000
	9,077,351	8,270,401
	<u>25,417,351</u>	<u>24,150,401</u>

NEW HOLDING AND TRADING COMPANY LIMITED

Schedules Forming Part Of The Balance Sheet As At 31st March 2009

SCHEDULE - 3 - INVESTMENT

Name of the Company	Face Value Rupees	Number of Holding	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
INVESTMENTS				
A. QUOTED INVESTMENTS				
1 Equity Shares (Fully Paid)				
BASF India Limited	10	800	921,046	921,046
Cambridge Solution Limited	10	100	153,532	153,532
Dish TV India Limited	1	1,150	59,272	59,272
GlaxoSmithkline Pharmaceuticals Limited	10	1,000	1,099,536	1,099,536
GTL Limited	10	4,000	1,035,555	1,035,555
GTL Infrastructure Limited	10	8,000	182,417	182,417
ICICI Bank Limited	10	6	2,500	2,500
Infosys Technologies Limited	5	4,800	3,145,720	3,145,720
ISMT (Indian Seamless Steels and Alloys) Limited	10	43,750	737,741	737,741
KSB Pumps Limited	10	130,000	11,008,009	11,008,009
MTNL limited	10	7,000	1,435,407	1,435,407
Neyveli lignite corporation Limited	10	10,000	402,413	402,413
Onward Technology Limited	10	2,500	328,321	328,321
PVP Ventures (SSI) Limited	10	100	153,533	153,533
State Bank of India	10	3,300	1,791,430	1,791,430
Tata Chemicals Limited	10	700	43,888	43,888
Tata Steel Limited	10	6,121	520,480	520,480
Wire & Wireless (India) Limited	10	1,000	130,955	130,955
Zee Entertainment Enterprises Limited	1	2,000	598,574	598,574
Zee News Limited	10	904	63,773	63,773
Sub-Total - A.-1.			23,814,102	23,814,102
2 Cumulative Compulsory Convertible Preference Share (Fully Paid)				
Tata Iron & Steel Company Limited -CCCPS	100	4,590	459,000	459,000
Sub-Total - A.-2.			459,000	459,000
TOTAL - A.(A-1+ A-2)			24,273,102	24,273,102
B. UNQUOTED INVESTMENTS				
Mutual Fund				
JM Mutual Fund				
JM Arbitrage Advantage Fund - Div. Payout(156)	10	208,820	2,135,536	2,135,536
Kotak Mahindra Mutual Fund				
Kotak Contra-Option-Div. Payout	10	4,890	50,000	50,000
Principal Mutual Fund				
Junior Cap Fund-Option-Div. Payout	10	10,000	100,000	100,000
TOTAL - B.			2,285,536	2,285,536
TOTAL - (A+ B)			26,558,638	26,558,638
Less : Provision for diminution in the Value of Investments			3,289,677	3,289,677
			23,268,961	23,268,961
Aggregate Cost of Quoted Investment			24,273,102	24,273,102
Aggregate Cost of Unquoted Investment			2,285,536	2,285,536
Market Value of Quoted Investment			51,419,308	69,500,920

Schedules Forming Part Of The Balance Sheet As At 31st March 2009

**SCHEDULE - 4 - CURRENT ASSETS,
LOANS AND ADVANCES**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
(a) Current Assets :		
Balance with Scheduled Banks :		
In Current Account	2,670,294	1,403,030
Cash on hand	<u>4,018</u>	<u>9,226</u>
	2,674,312	1,412,256
Outstanding Dividend	-	-
	<u>2,674,312</u>	<u>1,412,256</u>

**SCHEDULE - 5 - CURRENT LIABILITIES
AND PROVISIONS**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
(a) Current Liabilities :		
Sundry Creditors	23,422	28,416
	<u>23,422</u>	<u>28,416</u>

SCHEDULE - 6 - MANAGEMENT EXPENSES

	2008-2009 Rupees	2007-2008 Rupees
Director's Fees	3,250	3,250
Audit Fees	3,309	3,371
General Charges	65,473	96,204
	<u>72,032</u>	<u>102,825</u>

Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

SCHEDULE - 7 - NOTES FORMING PART OF THE ACCOUNTS.

1. Significant Accounting Policies

- (i) Fixed Assets
The Company does not have Fixed Assets.
 - (ii) Depreciation
There are no fixed asset hence no depreciation has been provided.
 - (iii) Investments
Investments are valued of cost of acquisition plus brokerage and stamp charges. The Company in accordance with Accounting Standard 13 has made a provision for permanent diminution in the value of investments to account for a decline in value of long term investments.
 - (iv) Inventories
There are no inventories
 - (v) System of Accounting
The Company generally adopts accrual system of accounting on a going concern basis. Dividend income from investments is recognised on accrual basis, as and when the owner gets the right to receive payment.
 - (vi) Miscellaneous expenditure
There are no Preliminary Expenses.
 - (vii) Gratuity
Payment of Gratuity Act does not apply.
 - (viii) Earning Per Share:
Earnings per share has been calculated and disclosed as per the accounting Standard 20 " Earnings Per Share issued by The Institute of Chartered Accountants of India.
 - (ix) System of Accounting Taxes on Income:
 - (i) Current Tax
Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.
 - (ii) Deferred Tax
Deferred tax is recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).
 - (x) Provisions and Contingent Liabilities:
 - (a) A provision is recognised when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.
 - (b) A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of resources is remote, no provision or disclosure is made.
2. The Company has no activities other than those of an investment Company and accordingly the segment reporting accounting standard is considered not applicable
3. Related Party Disclosures:
- (A) Name of the related party and nature of relationship where control exists:
Name of the Related Party Nature of Relationship
 - (a) The Industrial & Prudential Holding Company
Investment Company Limited
 - (b) KSB Pumps Limited Key management personnel. exercise Significant influence.
 - (c) A. V. Setalvad Key management personnel.
 - (d) A. R. Broacha Key management personnel.
 - (d) H. V. Setalvad Relative of Key management personnel.

Schedules Forming Part Of The Accounts For The Year Ended 31st March 2009

NOTES FORMING PART OF THE ACCOUNTS...(Contd)

(B) Related Party Transaction :

Name of the related Party	Description of Relationship	Nature of Transaction	Amount of Transaction (Rupee)	Previous Year Transaction (Rupee)	Amount outstanding at the end of the year Debit / (Credit) in Rs.
A. V. Setalvad	Key Management Personnel	Director Fees	1,250	1,250	-
A. R. Broacha	Key Management Personnel	Director fees	1,250	1,250	-
KSB Pumps limited	Enterprises over Which key management personnel exercise significant influence.	Dividend Received	715,000	715,000	-

- NOTE : i There is no provision for doubtful debts as at the end of the year in respect of related parties.
 ii There are no amounts written off or written back during the year in respect of debts due from or to related parties certain that sufficient profit will be available in.

4. Break-up of deferred tax asset as at March 31, 2009:
 Nature of timing Difference Carry Forward Capital Loss Rs. Nil. (Previous Year Rs. Nil.).
5. In the opinion of the Board, the Current assets, Loans, & advance have a value on realisation in ordinary course of business and at least equal to the amount stated in the Balance sheet and Provision for all known liabilities have been made and are adequate.

6. Earning Per share:	<u>Current Year.</u>	<u>Previous Year.</u>
Profit after tax	1,266,950	1,081,485
Weighted Avg. No. of Shares at the beginning of the Year	5,025	5,025
Weighted Avg. No. of Shares at the end of the Year	5,025	5,025
Face value of each equity shares	100	100
Basic / Diluted earning per share	252.13	215.22

7. Previous years figures have been regrouped and rearranged wherever necessary.

As per our report attached

For C. M. GABHAWALA & Co.,
 Chartered Accountants

BIREN C. GABHAWALA
 Partner
 Membership No. 40496
 Mumbai, April 30, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD	CHAIRMAN
A. R. BROACHA V. C. VAIDYA	}} DIRECTORS

NEW HOLDING AND TRADING COMPANY LIMITED

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (INSERTED BY Notification No. GSR 388 dated 15.05.1995)

(1) Registration Details

Registration No: of

State Code :

(Refer Code List)

Balance Sheet Date

(2) Capital Raised during the year (amount in Rs. thousands)

Public issue

Right issue

Bonus issue

Private issue

(3) Position of Mobilisation and Deployment of Funds (amount in Rs. thousand)

Total Liabilities

Total Assets

SOURCES OF FUNDS

Paid-up Capital

Reserves and Surplus

Secured Loans

Unsecured Loans

APPLICATION OF FUNDS

Next Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

Deferred Tax

(4) Performance of Company (amount in Rs. thousands)

Turnover

Total Expenditure

+/- Profit/Loss Before Tax

+/- Profit/Loss after tax

(Please tick appropriate box + for Profit - for loss)

Earning per Share in Rs.

Dividend Rate %

(5) Generic of Three Principal Products/Services of company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

As per our report attached

For **C. M. GABHAWALA & Co.,**
Chartered Accountants

BIREN C. GABHAWALA
Partner

Membership No. 40496
Mumbai, April 30, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD

CHAIRMAN

A. R. BROACHA
V. C. VAIDYA

}
}

DIRECTORS

Schedule to the Balance Sheet of a Non-Banking Financial Company
(as required in terms of Paragraph 9BB of
Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

(Rs. in lakhs)

	Particulars		
	Liabilities side :		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not Paid : (a) Debentures :Secured :Unsecured (other than falling within the meaning of public deposits*) (b) Deferred Credits (c) Term Loans (d) Inter-corporate loans and borrowing (e) Commercial Paper (f) Public Deposits* (g) Other Loans (specify nature) * Please see Note 1 below	Amount outstanding NIL	Amount overdue NIL
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid): (a) In the form of Unsecured debentures (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security (c) Other public deposits * Please see Note 1 below	NIL	NIL
	Assets side :		
		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] : (a) Secured (b) Unsecured		- -
(4)	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards (i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors : (a) Assets on hire (b) Repossessed Assets (iii) Hypothecation loans counting towards EL/HP activities (a) Loans where assets have been repossessed (b) Loans other than (a) above		NIL
(5)	Break-up of Investments : Current Investments : 1. Quoted : (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify) 2. Unquoted : (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)		- - - - - - - - - - -

NEW HOLDING AND TRADING COMPANY LIMITED

	Particulars	(Rs. in lakhs)		
	Long Term Investments : (AT COST)			
	1. Quoted :	238.14		
	(i) Shares : (a) Equity	4.59		
	(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	22.86		
	(iv) Government Securities	-		
	(v) Others (please specify)	-		
(6)	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances : Please see Note 2 below			
		Amount net of provisions		
	Category	Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries			
	(b) Companies in the same group			
	(c) Other related parties			
	2. Other than related parties			
	Total			
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see note 3 below			
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
	1. Related Parties **			
	(a) Subsidiaries	-	-	
	(b) Companies in the same group	-	-	
	(c) Other related parties	351.00	110.08	
	2. Other than related parties	185.53	122.61	
	Total	536.53	232.69	
(8)	Other information			
	(i) Gross Non-Performing Assets	NIL		
	(a) Related parties			
	(b) Other than related parties			
	(ii) Net Non-Performing Assets	NIL		
	(a) Related parties			
	(b) Other than related parties			
	(iii) Assets acquired in satisfaction of debt	NIL		
	Notes :			
	1. As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.			
	2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.			
	3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.			

NEW HOLDING AND TRADING COMPANY LIMITED
STATEMENT OF NET OWNED FUNDS AS ON MARCH 31, 2009

(Rs. in thousand)

	AMOUNT
i Paid-up Equity Capital	502
ii Free Reserves	25,417
iii Total (i + ii)	25,919
iv Accumulated balance of loss	-
v Deferred Revenue Expenditure	-
vi Other intangible assets	-
vii Total (iv+v+vi)	25,919
viii Owned Funds (iii - vii)	-
ix Investment in shares of :	
a. Subsidiaries	-
b. Companies in the same Group	-
c. Other non-banking financial companies	-
x The book value of debentures, bonds, outstanding loans and advances made to and deposits with :	
a. Subsidiaries	-
b. Companies in the same Group	-
xi Total {ix (a) + ix (b) + ix (c) + x (a) + x (b)}	-
xii Amount of item xi in excess of 10 % of item viii above.	-
xiii Net Owned Funds (viii - xii)	25,919

As per our report attached

For C. M. GABHAWALA & Co.,
Chartered Accountants

BIREN C. GABHAWALA
Partner
Membership No. 40496
Mumbai, April 30, 2009

For and on behalf of the Board Of Directors

A. V. SETALVAD CHAIRMAN

**A. R. BROACHA }
V. C. VAIDYA } DIRECTORS**

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

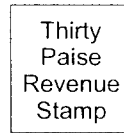
Registered Office:
125, Maker Chambers III, Nariman Point, Mumbai - 400 021.

PROXY FORM
ANNUAL GENERAL MEETING

I/We..... ofin the district of being a member/members of the above named Company, hereby appoint..... of in the district ofor failing him ofin the district of as my/our proxy to attend and vote for me/us on my/our behalf at the Ninety third Annual General Meeting of the Company to be held on **Wednesday, the 12th August, 2009** at 3.00 p.m. at Bajaj Bhavan, Ground Floor (Kamalnayan Bajaj Hall), 226, Nariman Point, Mumbai - 400 021 and at any adjournment thereof.

Signed at.....this.....day of.....2009

L. F. No. / DP Client ID



Address

.....

.....

Signature

This form is to be used *in favour of/ *against the Resolution. Unless otherwise instructed, the proxy will act as he thinks fit. *Strike out whichever is not required.

Note: The proxy form duly signed across the revenue stamp of 30 paise must reach the Company s Registered Office not less than 48 hours before the time of the meeting.

Tear off