

18th 

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# Annual Report

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 2008-2009



**INDOCOUNT FINANCE LIMITED**

<b>Board of Directors</b>	Shri ANIL KUMAR JAIN Shri G. P. AGRAWAL Shri SUSHIL KUMAR AGARWAL Shri PRADEEP K. SHAH	Chairman Director Director Director
<b>Company Secretary</b>	Shri RAMAN RUSTAGI( Left w.e.f. 30.05.2009 )	
<b>Auditors</b>	M/S AVK & ASSOCIATES, Chartered Accountants	
<b>Bankers</b>	KARNATAKA BANK LIMITED	
<b>Registered Office</b>	Village Alte, Taluka : Hatkanangale, Dist. Kolhapur-416 109 Maharashtra	
<b>Head Office</b>	301, "ARCADIA" Nariman Point, Mumbai – 400 021 Maharashtra	
<b>Corporate Office</b>	705, Pragati Tower, 26, Rajendra Place, New Delhi – 110 008	

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## NOTICE

NOTICE is hereby given that 18<sup>th</sup> Annual General Meeting of the shareholders of INDOCOUNT FINANCE LIMITED will be held on Tuesday, the 29<sup>th</sup> September, 2009 at 11.00 A.M. at Registered Office of the Company i.e. at Village Alte, Taluka Hatkanangale, Dist Kolhapur – 416 109, Maharashtra to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009, the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Sushil Kumar Agarwal, who retires by rotation and being eligible, offers himself for reappointment-
3. To appoint a Director in place of Mr. Pradeep K Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors and fix their remuneration

By Order of the Board  
For INDOCOUNT FINANCE LIMITED

ANIL KUMAR JAIN  
CHAIRMAN

Place: Mumbai  
Date : 31-07-2009

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Register of members and the share transfer books of the company will remain closed from 22.09.2009 to 29.09.2009 (both days inclusive)
3. Members are requested to :
  - i) Intimate, change, if any, in their registered addresses.
  - ii) Quote ledger folio, in their correspondence.
  - iii) Intimate about consolidation of folios if shareholdings are under multiple folios.
  - iv) Members/proxies should bring the attendance slip duly filled for attending the meeting
  - v) Members are requested to send their queries, if any, at least 14 days in advance of the meeting addressed to Indocount Finance Limited at 705, Pragati Tower, 26, Rajendra Place, New Delhi – 110 008 so that information can be made available at the meeting.
  - vi) Trading in Equity Shares of the Company are in compulsorily de-mat w.e.f. 26.03.2001.

### ADDITIONAL INFORMATION

#### Brief Profile of Mr. Shushil Kumar Agarwal, who retires by rotation, and is eligible for re-appointment :

Mr. Shushil Kumar Agarwal is a chartered Accountant by profession and has a rich experience of over 39 years in the area of auditing, taxation etc.

#### Outside Directorship :

No directorship in any other companies.

#### Brief Profile of Mr. Pradeep K Shah, who retires by rotation, and is eligible for re-appointment :

Mr. Pradeep K Shah is B.Com., PGDMB and has a rich experience of over 39 years in the area of General Insurance.

#### Outside Directorship :

No directorship in any other Company.

By Order of the Board  
For INDOCOUNT FINANCE LIMITED

ANIL KUMAR JAIN  
CHAIRMAN

Place: Mumbai  
Date : 31-07-2009

## DIRECTORS' REPORT

Your Directors present their 18<sup>TH</sup> ANNUAL REPORT, along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS :

The Financial Results for the year ended on 31<sup>st</sup> March, 2009 are as under:

Particulars	2008-2009 (Rs. In lacs)	2007-2008 (Rs. In lacs)
Total Income	34.61	46.60
Gross Profit/(Loss) Before Depreciation	11.19	8.36
Less : Depreciation	0.67	0.90
Profit/(Loss) Before Tax	10.52	7.46
Less: Provision for taxation	2.05	2.77
Net Profit /Net(Loss) After Tax	8.47	4.69
Less : Transfer to special reserve	1.69	0.93
Add : Profit brought forward from Previous year	48.82	45.06
Balance carried to Balance Sheet	55.60	48.82

### OPERATIONS:

The Company has earned a net profit of Rs 8.47 lacs during the year under review against the Net profit of Rs. 4.69 lacs in the Previous Year. Company is looking for an opportunity to make a suitable diversification.

### DIVIDEND :

Due to inadequate profit the Board of Directors do not recommend any dividend for the year.

### DEPOSITS:

The Company has not accepted any fixed deposits from the Public.

### DIRECTORS:

In accordance with the provisions of Companies Act, 1956, Mr. Sushil Kumar Agarwal and Mr Pradeep K Shah, Directors of the Company, retires by rotation at this Annual General Meeting and being eligible, offers themselves for re-appointment.

### AUDITORS:

The Auditors, M/s AVK & Associates, Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate to the effect under Section 224 (1-B) of the Companies Act, 1956.

The Observations of the Auditors as referred in their report are suitably explained in the Notes to Accounts and therefore do not call for any further comments.

### PERSONNEL:

Particulars of employees in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are not given, as none of the employees qualify for such disclosure.

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**DISCLOSURE:**

Being a Non-Banking Financial Company, inclusion of particulars with respect to conservation of energy and technology absorption as required under Companies (Disclosure of Particulars in the Report of Directors) Rules, 1998 is not required.

**CORPORATE GOVERNANCE :**

The corporate governance report together with a certificate from the Company's auditors confirming compliance of guidelines is made part of this Report as per Clause 49 of the Listing Agreement entered into with the Stock Exchange(s).

**DIRECTORS' RESPONSIBILITY STATEMENT :**

**Your Directors confirm :**

- a) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31<sup>st</sup> March, 2009 and of the profit of the Company for that year.
- c) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31<sup>st</sup> March, 2009 in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities.
- d) that the Directors had prepared the Annual Accounts ended 31<sup>st</sup> March, 2009 on a "going concern" basis.

**ACKNOWLEDGEMENTS :**

Your Directors place on record their appreciation of the support made by the employees at all levels, Bankers, Shareholders and Customers of the Company.

By Order of the Board  
For **INDOCOUNT FINANCE LIMITED**

**ANIL KUMAR JAIN**  
**CHAIRMAN**

Place: Mumbai  
Date : 31-07-2009

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY AND BUSINESS OUTLOOK

The growth in the Indian economy together with the growth in the capital markets will have better future for your company. Non Banking Finance Companies play major role in financing, inspite of presence of large number of Foreign as well as Nationalized Banks in this field, the role of NBFCs is established.

Due to growing economy of the country there is scope for NBFCs. The economic indicators for the future are also strong. Your Company hope to explore the opportunities thrown up by the economy.

### RISKS & CONCERNS

Risk is synonym with NBFCs which is inherent part of their business. Your Company is also subjected to various types of such risks. Your company has identified these risks and guarded itself by adopting a range of strategies and measures to reduce the impact of such risks.

Credit risks considered to be major risk being faced by NBFCs. Your Company has evolved various policies and systems for credit risk to closely monitor the same. Your Company is having appropriate pre disbursal and post disbursement monitoring and regular follow up of the collection process. A low level of NPA proportion in the assets of your Company reflects its sound risk management policies. Your Company also follow provisioning norms of RBI.

### OPPORTUNITIES AND THREATS

*Business Opportunities for finance Companies are enormous as the new areas and segments are being explored. There is a large scope of small size NBFCs like ours, for certain segment of customers, which remain unserved by Banks and large size NBFCs.*

The major threat being faced by NBFCs are from aggressive marketing of Banks and low rates of financing being offered by them.

### INTERNAL CONTROL AND THEIR ADEQUACY

Foundation of your Company's control mechanism vests in Management Information systems (MIS). Your company has devised effective systems so that assets and business of the company are safeguarded. The internal control is regularly reviewed and augmented by the Audit Committee. The management feels that the system of internal controls are adequate considering the size of operations of the Company

### HUMAN RESOURCES

Operating in the service industry, your Company's performance is heavily dependent on the knowledge and expertise of its personnel. The Company is having dedicated team of persons.

### CAUTIONERY STATEMENT

Statement in this Management Discussion describing the Company's objectives, estimates, expectations may constitute "Forward Looking Statement" within the meaning of applicable laws. Actual results might differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operations include demand and supply conditions, cyclical demand, changes in Government regulations, tax regimes, economic development within India.

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy

The Management of the Company recognizes the importance of Corporate Governance for better transparency as well protection of Shareholder's interest.

### 2. Board of Directors

The Board of Directors of the Company comprises of all Non-Executive Directors headed by Non-Executive Chairman. The present strength of the board is 4 (Four) and out of which 3 (Three) are independent Directors. The Independent Directors do not have any material pecuniary relationship or transactions with the Company, promoters, management which may affect their judgements in any manner. The Board meets at least once in a quarter to consider amongst other matters, the quarterly audited/unaudited financial results of the Company.

Sr. No.	Name	Category	No. of Directorship in other Public Ltd. Companies	No. of Membership in other Board Committees
1.	Mr. Anil Kumar Jain	Non-Executive Chairman	3	1 Chairmanship 2 Membership
2.	Mr. G.P. Agrawal	Non Executive Director, Independent	4	3 Membership
3.	Mr. Sushil Kumar Agarwal	Non-Executive Director, Independent	NIL	1 Chairmanship
4.	Mr. Pradeep K. Shah	Non- Executive Director, Independent	NIL	1 Membership

During the year under review, 6 Board Meeting were held on 30<sup>th</sup> May 2008, 30<sup>th</sup> June 2008, 31<sup>st</sup> July 2008, 31<sup>st</sup> October 2008, 25<sup>th</sup> November 2008 and 29<sup>th</sup> January 2009. The gap between the two meetings was not more than 4 months. The last Annual General Meeting was held on 27<sup>th</sup> September, 2008.

The attendance of the individual directors in the aforesaid meeting was as follows:

Name of Director	Category	Meeting Date & Attendance					
		30.05.08	30.06.08	30.07.08	30.10.08	25.11.08	29.01.09
Mr. Anil Kumar Jain	Chairman	-/	-/	-/	-/	-/	-/
Mr. G.P. Agrawal	Director	x	x	x	x	x	x
Mr. Sushil Kumar Agarwal	Director	-/	-/	-/	-/	-/	-/
Mr. Pradeep K. Shah	Director	-/	-/	-/	-/	-/	-/

### 3. Re-appointment of Directors

Mr. Sushil Kumar Agarwal is a Chartered Accountant by profession, having a rich experience of over 39 years in the areas of auditing, taxation etc. and has been on the Board since 26.12.2005.

Mr. Pradeep K Shah is B.Com., PGDMB and has a rich experience of over 39 years in the area of General Insurance. He has been on the Board since 26.12.2005.

Both Mr. Sushil Kumar Agarwal and Mr. Pradeep K Shah will hold office until conclusion of the ensuing annual general meeting, subject however, being eligible for re-appointment.

#### 4. Remuneration of Directors

Name	Category	Sitting Fees (Rs.)
Mr. Anil Kumar Jain	Director	3000
Mr. G.P. Agrawal	Director	—
Mr. Sushil Kumar Agarwal	Director	3000
Mr. Pradeep K. Shah	Director	3000

#### 5. Audit Committee

The Audit Committee was formed in accordance with the requirements of clause 49 of the Listing Agreement. The broad terms of reference of the Audit Committee are :

- a) To review the overall financial reporting process and disclosure of financial information.
- b) To review the annual accounting/financial statements, policies and practice.
- c) To appraise the adequacy of proper internal control and internal audit systems.
- d) To review the Company's financials and risk management policies.
- e) To recommend the appointment and removal of external Auditors and fixation of audit fees.
- f) To approve payment to Statutory Auditor for any other services rendered by them.
- g) To review with the management, the quarterly financial statements before submission to the Board of Directors.

The Audit Committee comprises of three Non Executive independent Directors, Mr. Sushil Kumar Agarwal, Mr. Pradeep K. Shah and Mr. G. P. Agrawal

The quorum for the Audit Committee meeting is 1/3 of the total strength or 2 whichever is higher. The terms of reference of the Audit Committee are in line with Stock Exchange Listing Agreement and provisions of Section 292 A of the Companies Act, 1956.

During the Financial year 2008-2009, no Audit Committee meeting was held.

#### 6. Share Transfer and Share Holders' Grievance Committee

At present the Share Transfer and Share Holders/Investor grievances committee comprises of Mr. Anil Kumar Jain, Mr. G. P. Agrawal and Mr. Pradeep K. Shah. The Chairman is elected amongst members of the Committee. Quorum of the Committee Meeting is two Directors.

During the year under review 10 Share transfer and share holders/Investor grievance committee meetings were held. Gap between two meetings are more than statutory period of 14 days in the absence of transactions and same are being conducted on as and when required basis.

The various issues addressed in connection with Shareholders and Investor services & grievance are

##### a) Share transfer:

- i) Approve and effect transfer and transmission of shares.
- ii) Issue of new Share Certificates in lieu of lost share/mutilated share certificates.
- iii) Consolidation of folios/transposition of names.

##### b) Shareholders/ Investors complaints :

- i) Non receipt of shares after transfer / transmission
- ii) Non receipt of Annual Report



iii) Other matters including change of address etc.

The minutes of the committee are placed in the subsequent board meeting held after the committee meeting. The Compliance officer of the Company attends every meeting and closely supervises the shareholders grievances and coordinates with the regulatory Authorities and other agencies.

**7. Disclosure**

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large.

There is no material transaction with any related party which may have potential conflict with the interests of the Company at large. However, the Company has annexed to the accounts, a list of related parties as the Accounting Standard 18 and the transactions entered into with them.

Details of non-compliance by the Company, penalties strictures imposed on the Company by stock exchange(s) or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

Neither any non-compliance with any of the legal provisions of law has been made by the Company nor has any penalty, stricture been imposed by the stock exchange(s) or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

**8. Remuneration Committee**

- The Board has not constituted any remuneration Committee.

**9. Compliance**

The Company has complied with the requirement of Stock Exchanges, SEBI and other Statutory authorities during the preceding financial year on all matters related to Capital Market and no penalty / strictures, have been imposed on the Company.

**10. Means of Communication**

Quarterly Results are faxed / couriered to the Stock Exchanges immediately after the Board Meeting as required under the listing agreement. Quarterly Results are also published in English/Marathi Newspapers.

The Annual Report is posted to every shareholder of the Company.

Management discussion & analysis report forms part of this Annual Report.

**GENERAL SHAREHOLDER'S INFORMATION**

	Day	Date	Time	Venue
Annual General Meeting:	Tuesday,	the 29th September, 2009	11.00 A.M.	Village Alte, Taluka: Hatkanangale, Dist. Kolhapur, Maharashtra
Financial Year	:	31st March, 2009		
Book Closure Dates	:	22 <sup>nd</sup> September, 2009 to 29 <sup>th</sup> September, 2009		(Both days inclusive)

**Date, Time & Venue of the Last Three AGM's :**

Financial Year Ended	Date	Time	Venue	If any Special Resolution Passed	Dividend Payment Details
31.03.2008	27.09.2008	2.00 p.m.	Hotel Shalini Palace Kolhapur	No	N.A.
31.03.2007	28.09.2007	3.30 p.m.	- do -	No	N.A.
31.03.2006	30.09.2006	11.30 a.m.	- do -	No.	N.A.

No Special Resolution was passed and no item was considered for adoption by postal ballots in the preceding three Annual General Meetings of the Company.

**Listing on Stock Exchanges** : The Stock Exchange, Mumbai  
Phiroze Jeebhoy Towers  
Dalal Street, Mumbai - 400 001  
Stock Code: 500206

**Depositories** : The National Securities Depository Ltd., 4th floor  
Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel  
Mumbai - 400 013  
Central Depositories Services (India) Ltd.  
Phiroze Jeebhoy Towers  
28th floor, Dalal Street  
Mumbai - 4000 023

**Registrars and Share Transfer Agents and Address for Correspondence** : Link Intime India Pvt. Ltd.  
A-40, 2<sup>nd</sup> Floor, Near Batra Banquet Hall,  
Naraina Industrial Area, Phase-II,  
New Delhi - 110 028.  
Telephone No. 011-41410592 to 594  
Fax No. 011 - 41410591

Stock price data for the period from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009 at Bombay Stock Exchange:

Month	High (Rs.)	Low (Rs.)	Volume
April 2008	3.60	2.86	6518
May 2008	3.00	2.29	4183
June 2008	2.30	1.72	10505
July 2008	1.80	1.27	8591
August 2008	1.52	1.37	3110
September 2008	1.71	1.27	3011
October 2008	2.20	1.61	8489
November 2008	3.03	2.20	646
December 2008	3.00	2.86	2275
January 2009	3.53	3.10	211
February 2009	3.52	3.36	1022
March 2009	3.35	3.35	180

Distribution of shareholding as on 31st March, 2009

No. of equity shares	No. of share holders	% of share holders	No. of shares held	% of share holding
1- 250	8288	82.62	1042629	22.82
251- 500	1288	12.84	490740	10.74
501- 1000	310	3.09	256101	5.60
1001- 2000	87	0.86	128483	2.81
2001- 3000	19	0.19	49318	1.08
3001-4000	9	0.09	32398	0.71
4001 -5000	6	0.06	28563	0.62
5001-10000	7	0.07	48491	1.06
Above 10000	18	0.18	2493277	54.56
<b>Total</b>	<b>10032</b>	<b>100.00</b>	<b>4570000</b>	<b>100.00</b>

Shareholding pattern as on 31st March, 2009

Category	No. of equity Shares held	% of shareholding
Promoters & Associates	24,47,499	53.556
Financial Institutions/Banks/Insurance Companies including Central/ State Government Institutions	100	0.002
Mutual Funds and UTI	-	-
FII's	-	-
NRIs	2,839	0.062
Domestic Corporate Bodies	98,121	2.147
Indian Public	20,21,441	44.233
<b>Total</b>	<b>45,70,000</b>	<b>100.000</b>

**Dematerialisation of shares and liquidity**

As per directive of SEBI the Equity Shares of the Company are compulsorily traded in dematerialized form with effect from 26.03.2001. The ISIN no allotted for the shares of company is INE 680B01019. Requests for dematerialisation of shares are processed and confirmed within 15-20 days of receipt from NSDL and CDSL.

**Offices of the Company:**

The Company has offices at the following places:

**Registered Office:**

Village Alte  
Taluka : Hatkanagale  
Dist. Kolhapur 416 109  
Maharashtra

**Delhi Office:**

705, Pragati Tower  
26, Rajendra Place  
New Delhi – 110 008

**Head Office:**

301, Arcadia  
Nariman Point  
Mumbai – 400 021

**Communication Address:**

Mr. S. D. Maheshwari  
Manager  
705, Pragati Tower  
26, Rajendra Place  
New Delhi – 110 008

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## COMPLIANCE CERTIFICATE

### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Shareholders of  
Indocount Finance Limited

We have examined the compliance of conditions of corporate governance by Indocount Finance Limited, for the year ended on 31<sup>st</sup> March, 2009, as stipulated in clause 49 of the listing agreement (s) of the said company with stock exchange(s) in India.

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period of exceeding one month against the company as per the records maintained by the shareholders/investors grievance committee.

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

for ASHU GUPTA & CO.  
Company Secretaries

Place: Mumbai  
Dated: 25th June, 2009

ASHU GUPTA  
Proprietor  
C.P. No. 6646

## AUDITOR'S REPORT

**To the Members,  
Indocount Finance Limited,**

We have audited the attached Balance Sheet of INDOCOUNT FINANCE LIMITED as at March 31, 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosure 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.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the said order.

Further to our comments in annexure referred to in paragraph 1 above :

- i) 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.
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the said books.
- iii) The Balance Sheet, Cash Flow Statement and the Profit & Loss Account referred to in this report are in agreement with the books of account.
- iv) In our opinion the Balance Sheet, Cash Flow Statement and the Profit & Loss Account comply with the Accounting standards referred to in sub-section (3C) of section 211 of the companies Act, 1956.
- v) 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 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 with the notes thereon in Schedule 13, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - a) In the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2009.
  - b) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.
  - c) In the case of Cash Flow Statement of cash flows for the year ended on that date.

**For AVK & Associates**  
Chartered Accountants

**Parul Gupta**  
Partner  
FCA- 095539

Place : Mumbai  
Dated : 25th June, 2009

**Annexure referred to in paragraph 1 of the Auditors Report on the Accounts for the year ended 31<sup>st</sup> March, 2009.**

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (ii) There is no inventory except the stocks under finance agreement, therefore the clause no. (ii) (a), (b) and (c) of the order are not applicable to the company.
- (iii) (a) The company has taken unsecured loan from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

S No.	Name of Party	Relationship with company	Amount (Rs.in lacs)	Year end Balance (Rs.in lacs)
1	Indocount Securities Limited	Entities in which key management Personnel are interested	9.25	5.28

- (b) The following are the particulars of loans granted by the company to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

S No	Name of Party	Relationship with company	Amount (Rs.in lacs)	Year end Balance (Rs.in lacs)
1	Rini Investment & Finance Pvt. Ltd.	Entities in which key management Personnel are interested		0.8

- (c) In our opinion, rate of interest and other terms and conditions on which loans have been received and granted to companies, firms or other parties listed in the register maintained under section 301 are not prima facie, prejudicial to the interest of the company.
- (d) Parties to whom loans have been granted have repaid the principal amount as per stipulation.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information given to us, the company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) The provisions of Section 209(1)(d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the company.

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- (ix) (a) According to the records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax and other statutory dues applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, were outstanding as at 31.03.2009 for a period of more than six months from the date they became payable.
  - (x) The company does not have accumulated losses at the end of the financial year, the company has not incurred cash losses during the current financial year however in the immediately preceding financial year the company had incurred cash losses.
  - (xi) Based on our examination of documents and records maintained by the Company the Company has not defaulted in payment of dues to Bank.
  - (xii) Based on our examination of documents and records maintained by the company, we are of the opinion that since the company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities, it is not required to maintain records in respect thereof.
  - (xiii) In our opinion, the company is neither a chit fund nor nidhi/ mutual benefit fund/ society and hence clause 4 (xiii) of the Order is not applicable to the company
  - (xiv) Based on our examination of records we are of the opinion that the company has maintained proper records of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other securities have been held by the company in it's own name.
  - (xv) Based on our examination of the records, we are of the opinion that the company has not given guarantee for loans taken by others from banks or financial institutions.
  - (xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
  - (xvii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
  - (xviii) During the year the company had not issued any debentures.
  - (xix) During the year no money was raised by public issue.
  - (xx) According to the information and explanations given to us, we report no fraud on or by the company has been noticed or reported during the course of our audit.

**For AVK & Associates**  
Chartered Accountants

Place : Mumbai  
Dated : 25th June, 2009

**Parul Gupta**  
Partner  
FCA- 095539

## BALANCE SHEET

as at 31st March, 2009

	SCHEDULES	Current Year 31.03.2009 (Rs.)	Previous Year 31.03.2008 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	45,700,000	45,700,000
b) Reserves & Surplus	2	<u>12,050,701</u>	<u>11,203,005</u>
<b>2. Loan Funds</b>			
a) Secured Loan from Bank (Overdraft against Fixed Deposit)		18,571	-
b) Unsecured Loans		<u>528,494</u>	-
		<u>58,297,766</u>	<u>56,903,005</u>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	3	1,653,522	1,256,332
b) Less : Depreciation		<u>857,441</u>	<u>790,860</u>
c) Net Block		796,081	465,472
<b>2. Investments</b>			
	4	32,150,955	32,206,122
<b>3. Current Assets, Loans &amp; Advances</b>			
a) Current Assets	5	10,341,811	9,949,397
b) Loans and Advances	6	<u>15,395,699</u>	<u>14,580,924</u>
		25,737,510	24,530,321
<b>4. Less : Current Liabilities and Provisions</b>			
a) Current Liabilities and Provisions	7	<u>386,780</u>	<u>298,910</u>
		386,780	298,910
<b>Net Current Assets</b>		<u>25,350,730</u>	<u>24,231,411</u>
		<u>58,297,766</u>	<u>56,903,005</u>

NOTES TO THE ACCOUNTS &

SIGNIFICANT ACCOUNTING POLICIES 13

The Schedules referred to above, form an integral part of the Balance Sheet.

In terms of our report of even date annexed

**For AVK & Associates**

Chartered Accountants

Place: Mumbai  
Dated: 25th June, 2009

Parul Gupta  
Partner  
FCA-095539

ANIL KUMAR JAİN  
SUSHIL KUMAR AGARWAL  
PRADEEP K. SHAH  
Directors



## PROFIT & LOSS ACCOUNT

for the year ended 31st March, 2009

	SCHEDULES	Current Year 31.03.2009 (Rs.)	Previous Year 31.03.2008 (Rs.)
<b>INCOME</b>			
Interest & Finance Charges	8	2,313,446	1,627,471
Other Income	9	750,610	587,957
Profit on sale of Investments		397,199	2,444,230
		<u>3,461,255</u>	<u>4,659,658</u>
<b>EXPENDITURE</b>			
Administration Expenses	10	1,567,968	3,140,563
Personnel Expenses	11	749,166	667,772
Interest & Financial Charges	12	25,237	15,150
Depreciation		66,581	89,791
		<u>2,408,952</u>	<u>3,913,276</u>
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>1,052,303</b>	<b>746,382</b>
Less : Provision for Income Tax			
- Previous Year			30,162
- Current Tax	<b>189,405</b>		236,061
- Fringe Benefit Tax	<b>15,202</b>	<b>204,607</b>	276,777
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>847,696</b>	<b>469,605</b>
Less : Amount transferred to Special Reserve		169,539	93,921
<b>Balance Brought Forward</b>		<b>4,882,001</b>	<b>4,506,317</b>
<b>Balance Carried to Balance Sheet</b>		<b>5,560,158</b>	<b>4,882,001</b>
Earning Per Share - Basic & Diluted		0.19	0.10

NOTES TO THE ACCOUNTS &

SIGNIFICANT ACCOUNTING POLICIES 13

The Schedules referred to above, form an integral part of the Profit & Loss Account.

In terms of our report of even date annexed

**For AVK & Associates**

Chartered Accountants

Place: Mumbai

Dated: 25th June, 2009

**Parul Gupta**

Partner

FCA-095539

**ANIL KUMAR JAIN**

**SUSHIL KUMAR AGARWAL**

**PRADEEP K. SHAH**

Directors

## CASH FLOW STATEMENT

for the year ended 31st March, 2009

	Current Year 31.03.2009 (Rs.)	Previous Year 31.03.2008 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit / (Loss) before tax and extraordinary items	1,052,303	746,382
Adjustments for		
Depreciation	66,581	89,791
Profit on sale of Investments	(397,199)	(2,444,230)
Provision for Diminution in value of Investments	-	1,520,472
Loss on sale of Assets	-	30,686
Interest Paid	7,394	9,556
<b>Operating profit before working capital changes</b>	<b>729,079</b>	<b>(47,343)</b>
Adjustments for		
Trade & other receivables	1,387,408	60,061
Inventories	(128,726)	1,029,439
Trade Payables	87,870	(307,869)
Loans & advances *	(716,677)	4,034,442
<b>Cash generated from operations</b>	<b>1,358,954</b>	<b>4,768,730</b>
Interest paid	7,394	9,556
Direct taxes paid	302,705	290,167
Cash flow before extraordinary items	310,099	299,723
Net cash from operating activities	1,048,855	4,469,007
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(397,190)	(3,650)
Sale of fixed assets	-	120,500
Purchase / (Sale) of Investments (Net)	452,366	(383,208)
Net cash used in investing activities	55,176	(266,358)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from long term borrowings	547,065	(76,122)
Net cash used in financing activities	547,065	(76,122)
Net increase in cash and cash equivalents	1,651,096	4,126,527
Cash and equivalents as at 01.04.2008 (Opening balance)	7,668,198	3,541,671
Cash and equivalents as at 31.03.2009 (Closing balance)	9,319,294	7,668,198

In terms of our report of even date annexed

**For AVK & Associates**  
Chartered Accountants

**Parul Gupta**

Partner

FCA-095539

Place: Mumbai

Dated: 25th June, 2009

**ANIL KUMAR JAIN**

**SUSHIL KUMAR AGARWAL**

**PRADEEP K. SHAH**

Directors

## Schedules

	Current Year 31.03.2009 (Rs.)	Previous Year 31.03.2008 (Rs.)
<b>1. SHARE CAPITAL</b>		
<b>Authorised</b>		
10,000,000 (Previous Year 10,000,000) Equity shares of Rs 10/- each.	<b>100,000,000</b>	100,000,000
<b>Issued Subscribed &amp; Paid up</b>		
4,570,000 (Previous year 4,570,000) Equity shares of Rs. 10/- each fully paid up.	<b>45,700,000</b>	45,700,000
	<b>45,700,000</b>	45,700,000
<b>2. RESERVES &amp; SURPLUS</b>		
A) General Reserve	<b>1,249,000</b>	1,249,000
B) Share Warrant Option Premium	<b>3,380,000</b>	3,380,000
C) Profit & Loss Account	<b>5,560,158</b>	4,882,001
D) Special Reserve Fund		
Opening Balance	<b>1,692,004</b>	1,598,083
Add : Transferred from Profit & Loss Account	<b>169,539</b>	93,921
	<b>1,861,543</b>	1,692,004
	<b>12,050,701</b>	11,203,005

### 3. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1.04.2008 (Rs.)	Additions (Rs.)	Sale / Adjustments (Rs.)	Total as at 31.03.2009 (Rs.)	As at 1.04.2008 (Rs.)	For the year (Rs.)	Adjust- ments (Rs.)	Total as at 31.03.2009 (Rs.)	As at 31.3.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>Furniture &amp; Fixtures</b>	415,346.00	-	-	415,346.00	319,156.00	25,582.00	-	344,738.00	70,608.00	96,190.00
<b>Vehicles</b>	-	204,000.00	-	204,000.00	-	4,832.00	-	4,832.00	199,168.00	-
<b>Office Equipments</b>	840,986.00	193,190.00	-	1,034,176.00	471,704.00	36,167.00	-	507,871.00	526,305.00	369,282.00
<b>TOTAL</b>	1,256,332.00	397,190.00	-	1,653,522.00	790,860.00	66,581.00	-	857,441.00	796,081.00	465,472.00
<b>Previous Year</b>	1,984,901.00	3,650.00	732,219.00	1,256,332.00	1,282,102.00	89,791.00	581,033.00	790,860.00	465,472.00	

**Schedules forming part of the Balance Sheet**

			Current Year 31.03.2009 (Rs.)			Previous Year 31.03.2008 (Rs.)
<b>4. INVESTMENTS</b>						
<b>LONG TERM</b>			<b>VALUE</b>	<b>QUANTITY</b>	<b>VALUE</b>	
	<b>Face Value</b>	<b>QUANTITY (Nos.)</b>	<b>(Rs.)</b>	<b>(Nos.)</b>	<b>(Rs.)</b>	
<b>A) QUOTED:</b>						
<b>Equity Shares</b>						
ACC Limited	10	200	156,770	200	156,770	
Allianz Capital & Management Services Ltd.	10	10	380	10	380	
Fortis healthcare Limited	10	915	98,820	915	98,820	
Grasim Industries Limited	10	17	32,224	17	32,224	
Haryana Capfin Limited*	10	570	-	570	-	
HDFC Bank Limited	10	500	378,443	500	378,443	
ICICI Bank Limited	10	200	121,042	200	121,042	
Indian Bank Limited	10	242	20,570	242	20,570	
Indocount Industries Limited	10	307,504	5,309,220	307,504	5,309,220	
Infosys Technologies Limited	1	70	156,215	70	156,215	
Jindal Drilling Limited	5	1,800	769,383	900	769,384	
Jindal Steel & Power Limited	1	500	176,039	500	176,039	
JSW Steel Limited	10	2,051	975,476	2,376	1,061,153	
Jindal South West Holdings Limited	10	300	348,742	-	-	
Larson and Toubro Limited	2	400	154,754	300	396,477	
Maharashtra Seamless Limited	10	5,509	2,433,693	5,509	2,433,693	
Parsvnath Developers Limited	10	128	35,872	128	35,872	
Power Finance Limited	10	408	40,120	408	40,120	
Pranavaditya Spinning Mills Limited	10	5	16	5	16	
Prime Textile Limited	10	200	12,195	200	12,195	
Reliance Industries Limited	-	-	-	110	149,549	
Reliance Petro Limited	10	4,900	1,062,009	4,900	1,062,009	
Sona Koyo Steering Systems Limited	1	2,000	45,764	1,000	45,764	
Suzlon Energy Limited	2	500	102,546	500	102,546	
Tata Consultancy Services Limited	1	110	95,664	110	95,664	
Axis Bank Limited	10	500	166,390	500	166,390	
Welspun Gujrat	10	4,300	1,451,163	4,300	1,451,163	
Yes Bank Limited	10	500	46,812	500	46,812	
			<u>14,190,322</u>		<u>14,318,530</u>	
<b>Units of Mutual Funds</b>						
HDFC Mutual Fund			1,175,003		1,101,962	
			<u>1,175,003</u>		<u>1,101,962</u>	
<b>TOTAL 'A'</b>			<u>15,365,325</u>		<u>15,420,492</u>	

\* issued on demerger

Aggregate Market Value of Quoted Investments Rs. 7,147,260 (Previous Year Rs. 16,025,359)

Schedules forming part of the Balance Sheet

		Current Year		Previous Year	
		31.03.2009		31.03.2008	
		(Rs.)		(Rs.)	
<b>B) UNQUOTED:</b>					
<b>Equity Shares</b>					
Indocount Securities Limited	10	427,000	4,270,000	427,000	4,270,000
Hindustan Breweries & Bottling Limited	10	25,000	251,250	25,000	251,250
Shiva Services Limited	10	10,000	100,000	10,000	100,000
			4,621,250		4,621,250
<b>Preference Shares</b>					
Aegis Finstate Limited		477,000	4,770,000	477,000	4,770,000
Disney Promoters & Finance Private Limited		462,000	4,620,000	462,000	4,620,000
Uniworth Finance & Securities Private Limited		452,000	4,520,000	452,000	4,520,000
			13,910,000		13,910,000
	<b>TOTAL 'B'</b>		18,531,250		18,531,250
	<b>TOTAL 'A'+ 'B'</b>		33,896,575		33,951,742
Provision for diminution in value of investments			1,745,620		1,745,620
			32,150,955		32,206,122
<b>5. CURRENT ASSETS</b>					
Stock under Finance Agreements			196,880		68,154
Fixed Deposit With Banks (including Interest accrued & due)			9,246,930		4,794,455
Cash / Cheques in Hand			7,961		48,284
Balance with Banks					
In Current Accounts			64,403		2,825,459
Sundry Debtors (Unsecured, considered good)					
More than Six Months		108,889		1,627,512	
Others		765,220		711,550	
		874,109		2,339,062	
Less : Provision for Sub-Standard debtors		48,472	825,637	126,017	2,213,045
			10,341,811		9,949,397
<b>6. LOANS AND ADVANCES</b>					
Loans - Unsecured		14,177,361		13,537,369	
Less : Provision for Sub-Standard Loans		18,921	14,158,440	84,924	13,452,445
Prepaid Expenses			7,676		2,719
Loans/Advances to Staff			218,523		224,948
Security Deposits			256,968		244,818
Advance Tax / Tax Deducted at Source			754,092		655,994
			15,395,699		14,580,924
<b>7. CURRENT LIABILITIES</b>					
Sundry Creditors/ Expenses Payable					
Due to Micro & Small Enterprises			-		-
Others			303,325		293,414
Unmatured Finance Charges			22,781		2,235
Statutory Liabilities			6,551		3,261
Book Overdraft			54,123		-
			386,780		298,910

**Schedules forming part of the Profit & Loss Accounts**

	Current Year 31.03.2009 (Rs.)	Previous Year 31.03.2008 (Rs.)
<b>8. FINANCE CHARGES</b>		
Interest & Finance Charges {Tax deducted at source Rs. 110,476 (Previous Year Rs.279,613)}	2,313,446	1,627,471
	<u>2,313,446</u>	<u>1,627,471</u>
<b>9. OTHER INCOME</b>		
Dividend - on long term Investments	169,456	142,889
Commission Received	-	224,188
Miscellaneous Income	157,224	48,094
Bad Debts Recovered	280,382	172,786
Provisions for NPA reversed	143,548	-
	<u>750,610</u>	<u>587,957</u>
<b>10. ADMINISTRATION EXPENSES</b>		
Rent	290,264	308,482
Advertisement & Publicity	25,682	11,914
Audit Fee	27,575	28,090
Bad debts written off	423,633	221,123
Rebates & Discounts Allowed	-	33,165
Legal & Professional charges	259,753	375,387
Communication Expenses	108,290	150,471
Insurance expenses	15,569	8,303
Travelling & Conveyance	64,019	82,438
Printing & Stationary Expenses	74,157	60,259
Share Transfer Expenses	35,693	40,950
Repairs & Maintenance - Vehicles	35,587	17,314
- Others	<u>56,825</u>	<u>74,062</u>
Loss on Sale/write off of assets	-	30,686
Security deposit written off	-	25,000
Rates & Taxes	7,096	3,899
Miscellaneous expenses	143,825	123,548
Provision for Diminution in value of Investments	-	1,520,472
Provisions for NPA	-	25,000
	<u>1,567,968</u>	<u>3,140,563</u>
<b>11. PERSONNEL EXPENSES</b>		
Salary, Bonus & Allowance	729,441	646,726
Employers' contribution to PF & ESI	8,142	6,677
Staff Welfare Expenses	11,583	14,369
	<u>749,166</u>	<u>667,772</u>
<b>12. INTEREST &amp; FINANCIAL CHARGES</b>		
Interest		
Bank	7,394	9,556
Intercorporate Loans	9,602	-
Bank Charges	8,241	5,594
	<u>25,237</u>	<u>15,150</u>

## 13. NOTES TO ACCOUNTS

### I. SIGNIFICANT ACCOUNTING POLICIES

#### (i) System of Accounting:

- a. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except accounting for income from non-performing assets as defined in the guidelines of the Reserve Bank of India on prudential norms for income recognition of Non Banking Financial Companies, penal interest on delayed payments on lease & finance installments and dividend which have been accounted for on cash basis.
- b. The Company follows the prudential norms for Asset Classification, Income Recognition, Provisioning for bad and doubtful debts as prescribed by the Reserve Bank of India for Non-Banking Finance Companies.

#### (ii) Fixed Assets :

Fixed assets are stated at cost of acquisition, less accumulated depreciation.

#### (iii) Depreciation :

Depreciation is provided on straight line method in accordance with the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

#### (iv) Investments :

Long term Investments are valued at cost and any diminution in value wherever considered permanent by the management are provided for. Unquoted equity shares are valued at cost or break-up value whichever is lower. Unquoted preference shares are valued at cost or face value whichever is lower.

#### (v) Inventories :

Stock under finance agreements is valued at full agreement value less amounts received/receivable upto the close of the financial year.

#### (vi) Revenue Recognition :

- a. Finance charges, are accounted for over the finance period on the basis of sum of digit method. They are recognised as income on due basis as per the terms of agreement.
- b. Income from leased assets is accounted for on accrual basis, by applying the interest rate implicit in the lease to the net investment in the lease during the period, as recommended by the Institute of Chartered Accountants of India in the Guidance note on Accounting for Leases.
- c. Documentation charges are treated as income on the execution of the related agreements.

#### (vii) Retirement Benefits :

Company's contribution to Provident Fund, Gratuity and Leave encashment are charged to Profit & Loss Account on accrual basis.

#### (viii) Taxation :

Provision for the tax for the year comprises current income tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

#### (ix) Contingent Liabilities

Unprovided contingent liabilities are disclosed in the accounts by way of notes giving nature and quantum of such liabilities.

**II. NOTES ON ACCOUNTS**

	CURRENT YEAR 31.03.2009 (Rs.)	PREVIOUS YEAR 31.03.2008 (Rs.)
1. Contingent liabilities not provided for	Nil	Nil
2. Earning per share computed in accordance with the mandatory requirements of Accounting Standard 20 issued by the Institute of Chartered Accountants of India is as under.		
a) Net Profit/Loss after tax	847,696	469,605
b) Weighted average number of Equity Shares of Rs. 10 each outstanding during the year.	4,570,000	4,570,000
c) Basic/diluted Earning per share Rs. (a/b)	0.19	0.10
3. In the opinion of the management, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.		
4. In compliance of the Accounting Standard 22 issued by the Institute of Chartered Accountants of India, the company has not made provision for Deferred Tax Asset the composition of which is given here below.		

	As at 1-4-2008		For the year		As at 31-3-2009	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
i) Depreciation	-	(86,386)	-	(64,842)	-	(21,544)
ii) Provision for diminution in the value of Investments	534,160	-	5,237	-	539,397	-
iii) Provision for NPA	64,548	-	(43,724)	-	20,824	-
<b>TOTAL</b>	<b>598,708</b>	<b>(86,386)</b>	<b>(38,487)</b>	<b>(64,842)</b>	<b>560,221</b>	<b>(21,544)</b>

5. Related Party Disclosure

List of parties with whom transactions have taken place during the year :-

**1) Associates**

a) Indocount Industries Limited

**2) Entities in which Key Management Personnel are interested**

a) Rini Investment & Finance Pvt. Ltd.

b) Indocount Securities Limited

**3) Key management Personnel**

a) Sh. Anil Kumar Jain

b) Sh. G.P.Agrawal

c) Sh. Sushil Kumar Agarwal

d) Sh. Pradeep K. Shah

**4) Relatives**

a) Smt. Rattan Mala Jain

b) Sh. Anil Kumar Jain HUF

c) Smt. Sunanda P Shah



Transactions during the year with related parties

Nature of Transaction	Associates (1)	Entities (2)	Key Mgt. Personnel (3)	Relatives (4)	Year Ended 31.03.2009 (Rs.)	Year Ended 31.03.2008 (Rs.)
<b>Unsecured Loans</b>						
i) Opening Balance	-	(25,000)	-	-	(25,000)	75,000
ii) Received during the year	-	925,000	-	-	925,000	-
iii) Returned during the year	-	375,000	-	-	375,000	75,000
iv) Balance as on 31-3-2008	-	525,000	-	-	525,000	-
<b>Loans &amp; Advances</b>						
i) Opening Balance	-	249,000	-	-	249,000	25,000
ii) Given during the year	-	5,000	-	-	5,000	704,000
iii) Returned during the year	-	249,000	-	-	249,000	480,000
iv) Balance as on 31-3-2009	-	5,000	-	-	5,000	249,000
<b>Expenditure</b>						
i) Rent	6,000	-	-	-	6,000	105,000
ii) Commission	-	-	-	-	-	-
iii) Retainer ship Fee	-	-	-	-	-	36,000
iv) Director Sitting Fee	-	-	9,000	-	9,000	3,250
v) Interest Paid	-	9,602	-	-	9,602	1,122
<b>Income</b>						
i) Commission Received	-	-	-	-	-	228,188
ii) Interest Received	-	3,203	-	-	3,203	5,749

6. Debit / Credit balances of parties are subject to confirmations.
7. Paise have been rounded off to the nearest rupee.
8. Previous year's figures have been regrouped and/or rearranged wherever considered necessary.
9. Additional information pursuant to the Provisions of Paragraphs 3,4C & 4D of Part II of Schedule VI of the Companies Act, 1956 :

	CURRENT YEAR 31.03.2009 (Rs.)	PREVIOUS YEAR 31.03.2008 (Rs.)
a) Purchase, Sales & Stocks of Equity Shares	-	-
b) C.I.F. Value of Imports	-	-
c) Expenditure in Foreign Currency	-	-
d) Remittances in Foreign Currency	-	-
e) Earnings in Foreign Currency	-	-

10. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

State Code  Registration No.   
 Balance Sheet Date     
Date Month Year

II. Capital Raised during the year(Amount in Rs. Thousand)

Public Issue  Right Issue   
 Bonus Issue  Private Placement

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

Total Liabilities  Total Assets   
 Sources of Funds  
 Paid-up Capital  Reserves & Surplus   
 Secured Loans  Unsecured Loans   
 Application of Funds  
 Net Fixed Assets  Investments   
 Net Current Assets  Miscellaneous Expenditure   
 Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousand)

Turnover  Total Expenditure   
 Profit Before Tax  Profit after Tax   
 Earning per share  Dividend Rate

V. Generic Names of Three Principal Services of Company

Item Code No.   
 Service Description   
 Item Code No.   
 Service Description

In terms of our report of even date annexed  
 For AVK & Associates  
 Chartered Accountants

Place: Mumbai  
 Dated: 25th June, 2009  
 Parul Gupta  
 Partner  
 FCA-095539

ANIL KUMAR JAIN  
 SUSHIL KUMAR AGARWAL  
 PRADEEP K. SHAH  
 Directors

**PROXY  
INDOCOUNT FINANCE LIMITED**

Regd. Office : Village Alte, Taluka : Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra  
Corporate Office : 705, Pragati Tower, 26, Rajendra Place, New Delhi - 110008

I/We .....  
of .....  
in the district of .....  
being member/member of the above named Company, hereby appoint Mr./Miss / Mrs. ....  
of ..... in the district of .....  
or failing him/her Mr./Miss./Mrs. ....  
of ..... in the district of .....  
as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Tuesday, 29th September, 2009 at 11.00 A.M. and at any adjournment thereof  
Signed on this ..... day of ..... 2009  
No. of Shares held ..... Ref. No./L.F. No. / Client ID No. ....  
DPID No. ....

Signature(S) .....  
Address .....

Affix Re 1/- Revenue Stamp
-------------------------------------

Note : The Proxy must be deposited at the Registered Office of the Company at : Village Alte, Taluka : Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra, not less than 48 hours before the time for holding the meeting.

TEAR HERE .....

**ATTENDANCE SLIP  
INDOCOUNT FINANCE LIMITED**

Regd. Office : Village Alte, Taluka : Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra  
Corporate Office : 705, Pragati Tower, 26, Rajendra Place, New Delhi - 110008

I hereby record my presence at the 18th Annual General Meeting being held on Tuesday, 29th September, 2009 at 11.00 A.M. at Village Alte, Taluka : Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra.

Name of the Shareholder(s) .....  
(in block letters)

Folio No. / DPID No. and Client ID No. .... No. of Shares .....

Signature of shareholders/Proxy

NOTE: 1. Please complete this attendance slip and hand it over at the entrance of the venue of the meeting;  
2. Please bring your copy of Balance Sheet at the time of Annual General Meeting.

**BOOK-POST**

*If Undelivered please return to :*

**INDOCOUNT  
FINANCE  
LIMITED**

**INDOCOUNT FINANCE LIMITED**

705, Pragati Tower, 26, Rajendra Place,  
New Delhi – 110 008