

RATNI INVESTMENTS CO. LIMITED

Laxminarayan Mandir Chawl, Bapubhai Vashi Road, Vile Parle (W), Mumbai
400 056.

NOTICE

NOTICE is hereby given that the ANNUAL GENERAL MEETING of the Company will be held on Thursday the 30th September, 2010 at 5.00 p.m. at the registered office of the Company at Laxminarayan Mandir Chawl, Bapubhai Vashi Road, Vile Parle (W), Mumbai 400056 to transact the following business:

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March, 2010.
2. 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.
3. To appoint a Director in place of Mr. B. D. Jadhav, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

“ RESOLUTION THAT Smt. Vidhi D. Ruia who was appointed by Board of Directors as an additional Director with effect from 14th June, 2010 pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of Annual General Meeting of Company and in respect of whom a notice under Section 257 of companies Act, 1956, has been received from a member signifying her intension to propose Smt. Vidhi D. Ruia as a candidate for the office of Director, be and is hereby appointed as Director of Company.”

BY ORDER OF THE BOARD,

DIRECTOR

PLACE: MUMBAI

DATED: 30th AUGUST, 2010

NOTE:

1. A member, entitled to attend and vote at the meeting, is also entitled to appoint a proxy to attend and vote, instead of himself and the proxy need not be a member of the Company.

2. Proxy, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the meeting.

RATNI INVESTMENTS COMPANY LIMITED

*LAXMINARAYAN MANDIR CHAWL, BAPUBHAI VASHI ROAD,
VILE PARLE (W), MUMBAI 400 056*

DIRECTORS' REPORT

Yours Directors are pleased to present THIRTIETH Annual Report and Audited Statement of Accounts of RATNI INVESTMENTS COMPANY LIMITED. For the year ended 31st March, 2010 showing net Profit of Rs. 2, 32,441/- during the year.

ACCOUNTS:

During the year the Company earned Interest Income of Rs. 9,270/- and Dividend and other Income of Rs. 12,538/- Realization from Business support services Rs. 4, 28,582/- adding up to a total revenue of Rs. 4, 50,390/- . The Company incurred total of revenue expenditure of Rs. 5, 33,029/- and made a provision of Depreciation of Rs. 6,135/-. There being reduction in Diminution of Value of Investments by Rs. 321215/- that is from Rs. 1189239/- in the previous year to Rs. 868024/- in the current year which has resulted in a Profit of Rs. 2, 32,441/- during the year.

GENERAL:

The Company continues to be a holding Company of Suchindram Investments Private limited and have reviewed the affairs of the Subsidiary Company.

DEPOSIT:

The Company has not taken /invited any deposits from the public and hence the outstanding amount is NIL as on 31st March, 2010.

Particulars of Employees u/s 217 (2A):

None of the employees of the Company was in receipts of remuneration of Rs. 24,00,000/- or more per annum during the year under review, or if employed for a part of the year, in receipt of Rs. 2,00,00/- per month.

Particulars u/s 217 (1) (e):

The Company being an investment Company, the question of import of technology, energy conservation or technical absorption measures does not arise. There are no dealings in foreign exchange, nor are there any exports.

RATNI INVESTMENTS COMPANY LIMITED

**LAXMINARAYAN MANDIR CHAWL, BAPUBHAI VASHI ROAD,
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Directors Responsibility Statement

Your Directors' Confirm:

a) That in the preparation of Annual Accounts, the applicable accounting standards have been followed.

b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial year ended 31st March, 2010 and of the loss of the Company.

c) That the Directors have taken proper and sufficient care 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 the fraud and other irregularities.

d) That the Directors have prepared the Annual Accounts on a going concern basis.

AUDITORS:

You are requested to appoint Auditors for the current year and to fix their remuneration. M/s. Jagtiani & Naik (Regd.), Chartered Accountants, Mumbai being eligible, offer themselves for reappointment.

BY ORDER OF THE BOARD

DIRECTOR

DIRETCOR

PLACE: MUMBAI:

DATE: 30th AUG, 2010

V. V. CHAKRADEO & CO.,
COMPANY SECRETARIES,
B-301, MATOSHREE RESIDENCY, F P NO. 65. T P S V,
PRATHANA SAMAJ ROAD, VILE PARLE (EAST),
MUMBAI 400 057.

TEL NO. 26116821

Email Address: vychakra@vsnl.net

COMPLIANCE CERTIFICATE

The Members
Ratni Investments Company Limited
Mumbai.

We have examined the registers, records, books and papers of Ratni Investments Company Limited (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, 2010. 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 certificate, as per the provisions and the rules made thereunder 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 being limited company has the minimum prescribed paid-up capital and has minimum number of members during the said financial year excluding its present and past employees and the company during the year under scrutiny:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. the Board of Directors duly met six times in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. the company has Not closed its Register of Members during the financial year and necessary compliance of section 154 of the Act has been made.
6. the annual general meeting for the financial year ended on 31/3/2009 was held on 30/9/2009 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 meeting(s) was held during the financial year ending 31/03/2010.
8. the company has not advanced loan to its directors and/or persons or firms or companies referred in the section 295 of the Act.

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9. the company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. the company has made necessary entries in the register maintained under section 301 of the Act.
11. the company has obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act wherever applicable.
12. the Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. the Company has:
 - (i) delivered all the certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) deposited the amount of dividend declared including interim dividend in a separate bank _____ which is within five days from the date of declaration of such dividend. NOT APPLICABLE
 - (iii) paid/posted warrants for dividends 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 with NIL Bank on NIL. NOT APPLICABLE
 - (iv) transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund. NOT APPLICABLE.
 - (v) duly complied with the requirements of section 217 of the Act.
14. the Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. the appointment of Managing Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act and approval of the Central Government has been obtained in respect of appointment of NIL not being in terms of Schedule XIII. NOT APPLICABLE
16. the appointment of sole-selling agents was made in compliance of the provisions of the Act. NOT APPLICABLE

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17. the company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
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 thereunder.
19. the company has not issued any shares/debentures/other securities during the financial year ended 31/03/2010.
20. the company has not bought back shares during the financial year ending 31/3/2010.
21. the company has not redeemed preference shares/debentures during the financial year ended 31/03/2010.
22. the company wherever necessary has kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. the company has complied with the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975/ the applicable directions issued by the Reserve Bank of India/ any other authority in respect of deposits accepted including unsecured loans taken, amounting to Rs. NIL raised by the company during the year and the company has filed the copy of Advertisement/Statement in lieu of Advertisement/ necessary particulars as required with the Registrar of Companies NIL on NIL. The company has also filed return of deposit with the Registrar of Companies/Reserve Bank of India/other authorities. NOT APPLICABLE.
24. the amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31/3/2010 are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual/extraordinary general meeting.
25. the company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. the company has 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 after complying with the provisions of the Act. NOT APPLICABLE
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.

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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 after obtaining approval of members in the general meeting held.
31. a list of prosecution initiated against or show cause notices received by the company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the company in such cases is attached. NOT APPLICABLE.
32. the company has received Rs. NIL as security from its employees during the year under certification and the same has been deposited as per provisions of section 417(1) of the Act.
33. the company has no employee's and the provisions of the Provident Fund act are not applicable.

Place: MUMBAI

Signature :

Date : 30th August 2010

Name of Company Secretary : V. V. Chakradeo

C. P. No. : 1705

Annexure A Registers as maintained by the Company

1. Register of Directors.
2. Register of Members.
3. Register of Charges.
4. Board Minutes
5. Minutes of the meeting of the shareholders.

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

1. Balance Sheet for the F Y ended 31.3.2008 filed on 29.03.2010.
2. Compliance Certificate for the F Y ended 31.3.2008 filed on 03.03.2010.
3. F 32 filed on 11.05.2009.

AUDITOR'S REPORT TO THE MEMBERS OF
RATNI INVESTMENTS COMPANY LIMITED

1. We have audited the attached Balance Sheet of **RATNI INVESTMENTS COMPANY LIMITED**, as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. (Collectively referred to as "Financial Statements"). 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 have 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 as to 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 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of "The Companies Act, 1956" of India (the 'Act') 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 give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (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 and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

5. Attention is invited to Note No. 5 of Schedule "J" regarding non provision of possible diminution in value of Company's investments of aggregating to Rs. 71,85,171/- in unquoted equity shares. We are unable to form an opinion on the value of these investments in view of uncertainties involved.

6. **Subject to the matters referred to in Paragraph 5 above**, in our opinion and to the best of our information and according to the explanations given to us the said 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- (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 Cash Flow Statement, of the Cash Flows for the year ended 31st March, 2010.

**For JAGTIANI & NAIK
Chartered Accountants
ICAI Regn.No. 103854W**

**J. G. NAIK
PARTNER
Membership No. 30614**

PLACE : MUMBAI

DATED : 30.08.2010

ANNEXURE TO THE AUDITORS' REPORT

RE : RATNI INVESTMENTS COMPANY LIMITED

(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
b) Physical verification has been conducted by the management of fixed assets at reasonable intervals during the year and no discrepancies were noticed on such verification.
c) During the year there has not been disposal of any fixed assets.
2. (a) According to the information furnished, physical verification of inventory which consists of shares of unquoted Company has been conducted by the management at reasonable intervals during the year.

(b) In our opinion the procedures of physical verification of shares followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

(c) The Company is maintaining proper records of shares. No discrepancy was noticed on physical verification of shares.
3. (a) The Company has granted loan to one party disclosed U/s. 301(3) of the Companies Act, 1956. However, such loan transactions are not entered in the register under Section 301 of the Companies Act, 1956, as provisions of neither Section 297 nor 299 are applicable to such transactions and therefore the number and the amount of such transactions are not reported.

(b) The Company has taken unsecured interest free loan from one Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year as well as the year end balance of loan taken from such Company was Rs. 73,87,697/-.

- (c) In our opinion, the terms and conditions on which loan have been taken from the Company listed in the register maintained U/s. 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company. The loan taken is interest free in the nature.
- (d) There is no stipulation as to repayment of the principal amount in respect of this interest free loan taken by the Company.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of shares and fixed assets and for the sale of shares and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. (a) Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangement referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) The transactions made in pursuance of a contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 are temporary and interest free in the nature.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder of the Companies Act, 1956 are not applicable.
7. The volume of transactions and nature of the Company's business does not necessitate a full fledged Internal Audit System, but its internal control procedures ensure reasonable internal checking of financial and other records, which in our opinion are adequate.
8. Since the Company is an investment Company requirement of maintenance of cost records as prescribed by Central Government under Section 209(1)(d) of the Companies Act, 1956 is not applicable.
9. a) (i) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion the Company is regular in depositing the undisputed income tax and other material statutory dues applicable to it with appropriate authorities.

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (ii) According to information and explanations given to us, the Company was not liable for contribution towards Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty during the year.
- (iii) **According to records of the Company undisputed amounts payable in respect of Income Tax dues, which are outstanding at end of the year for a period of more than six months from the date they become payable are as follows.**

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Date of Payment
Income Tax Act, 1961	Fringe Benefit Tax	4,034	F. Y. 2005-2006	Unpaid
	Fringe Benefit Tax	4,992	F. Y. 2006-2007	Unpaid
		----- 9,026 =====		

- b) According to records of the Company examined by us there are no dues of Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute. The particulars of dues of Income Tax as at 31st March, 2010, which have not been deposited on account of any dispute are as follows

Nature of the Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax Dues	23,58,629	A. Y. 1996-1997	The Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax Dues	1,70,405	A. Y. 1997-1998	The Commissioner of Income Tax (Appeals)

10. Accumulated losses of the Company of Rs. 2,31,83,607/- at the end of the financial year exceeded 50% net worth as on that date. The Company has incurred cash losses of Rs. 82,639/- in current financial year and cash losses of Rs. 33,053/- in immediately preceding financial year.
11. The Company has neither taken any loans from a financial institution or a bank nor issued any debentures.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion and according to information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi /mutual benefit fund / societies.
14. As informed and explained to us, the Company has not dealt/traded in securities or debentures during the year. In our opinion and according to the information and explanation given to us proper records have been maintained of the transactions and contracts relating to trading / dealing in shares and other investments and timely entries have been made therein. ***We have been unable to physically verify the investments held by the Company as most of these investments have been seized by the Central Bureau of Investigation along with other records in June, 1992.***
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not obtained any term loans.
17. The Company considers all the funds raised by it amounting to Rs. 73,87,697/- at the end of the financial year to be of long term nature. These funds have been utilized for financing its losses, accumulated balances which stood at Rs. 2,31,83,607/- as well as investments and loans to others.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For JAGTIANI & NAIK
Chartered Accountants
ICAI Regn.No. 103854W**

**J. G. NAIK
PARTNER
Membership No. 30614**

PLACE : MUMBAI

DATED : 30.08.2010

RATNI INVESTMENTS COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2010

		SCHEDULE	AS AT	
		<u>ANNEXED</u>	2010	2009
			<u>RUPEES</u>	<u>RUPEES</u>
I. <u>SOURCES OF FUNDS</u> :				
1)	Shareholder's Funds :			
	Capital	A	2,000,000	2,000,000
2)	Loan Funds :			
	Unsecured Loans	B	7,387,697	7,383,697
3)	Deferred Tax Liability		745	985
TOTAL			9,388,442	9,384,682
			=====	=====
II. <u>APPLICATION OF FUNDS</u> :				
1)	Fixed Assets :	C		
	a) Gross Block		341,264	335,232
	b) Less : Depreciation		324,051	317,916
	c) Net Block		17,213	17,316
2)	Investments	D	8,585,674	8,264,459
3)	Current Assets, Loans and Advances	E		
	a) Inventories	E-1	825	825
	b) Sundry Debtors	E-2	97,530	122,663
	c) Cash and Bank Balances	E-3	120,866	207,271
	d) Other Current Assets	E-4	8,200	205,317
	e) Loans and Advances	E-5	4,358,526	4,589,251
			4,585,947	5,125,327
			-----	-----

Less : Current Liabilities and Provisions	F		
a) Liabilities	F-1	26,983,999	27,004,382
b) Provisions	F-2	-	434,326
		<u>26,983,999</u>	<u>27,438,708</u>
Net Current Assets		(22,398,052)	(22,313,381)
4) Miscellaneous Expenditure (to the extent not written off or adjusted)			
Profit and Loss Account :			
Deficit as per Profit and Loss Account Annexed		23,183,607	23,416,288
		<u>23,183,607</u>	<u>23,416,288</u>
	TOTAL	9,388,442	9,384,682
		<u><u>9,388,442</u></u>	<u><u>9,384,682</u></u>

This is the Balance Sheet referred to in our Report of even date.

For Notes forming part of accounts refer Schedule " J " Annexed.

**For JAGTIANI & NAIK
Chartered Accountants**

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DIRECTORS

**J. G. NAIK
PARTNER**

PLACE : MUMBAI

PLACE : MUMBAI

DATED :

DATED :

RATNI INVESTMENTS COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	<u>SCHEDULE ANNEXED</u>	<u>2009-2010 RUPEES</u>	<u>2008-2009 RUPEES</u>
<u>INCOME :</u>			
Business Support Services		428,582	368,748
Interest and Dividend	G	21,808	53,893
		-----	-----
TOTAL INCOME		450,390	422,641
		=====	=====
<u>EXPENDITURE :</u>			
Administrative and other Expenses	H	533,029	455,693
Decrease in Value of Stock-in-Trade	I	-	-
Depreciation		6,135	5,918
Provision for Diminution in Value of Investments		(321,215)	278,735
		-----	-----
TOTAL EXPENDITURE		217,949	740,347
		=====	=====
Profit(Loss) for the year		232,441	(317,706)
Less : Provision for			
a) Current Tax		-	-
b) Fringe Benefit Tax		-	5,000
c) Deferred Tax		(240)	239
		-----	-----
		232,681	(322,945)
Less : Short / Excess Provision for Tax		-	-
		-----	-----
		232,681	(322,945)
Add : Deficit brought forward from previous year		(23,416,288)	(23,093,343)
		-----	-----
Deficit Carried To Balance Sheet		(23,183,607)	(23,416,288)
		=====	=====
EARNINGS PER SHARE BASIC AND DILUTED		1.16	(1.61)
		=====	=====

This is the Profit and Loss Account referred to in our Report of even date.

For Notes forming part of accounts refer Schedule " J " Annexed.

**For JAGTIANI & NAIK
Chartered Accountants**

**J. G. NAIK
PARTNER**

PLACE : MUMBAI

DATED :

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) **DIRECTORS**
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PLACE : MUMBAI

DATED :

RATNI INVESTMENTS COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	<u>2009-2010</u>	<u>2008-2009</u>
	<u>RUPEES</u>	<u>RUPEES</u>
A) <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit / (Loss) for the year Before Tax	232,441	(317,706)
Adjustments For :		
Depreciation	6,135	5,918
Provision for Diminution of Investments	(321,215)	278,735
Operating Profit / (Loss) before working Capital changes	(82,639)	(33,053)
Adjustments For :		
Trade Receivables	38,149	(303,328)
Trade Payables	(20,383)	69,454
Cash generated from operations	(64,873)	(266,927)
Direct Taxes Paid	(19,500)	(2,990)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(84,373)	(269,917)
	=====	=====
B) <u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(6,032)	-
CASH PAID FOR INVESTING ACTIVITIES (B)	(6,032)	-
	=====	=====
C) <u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Loan Taken from Body Corporate	4,000	-
NET CASH INFLOW (USED) FROM FINANCING ACTIVITIES (C)	4,000	-
	=====	=====

Net Increase / (Decrease) in Cash and Cash Equivalents (A+B-C)	(86,405)	(269,917)
Cash and cash equivalents opening Balance	207,271	477,188
Cash and cash equivalents closing Balance	120,866	207,271

Note : The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard -3 issued by the Institute of Chartered Accountants of India

This is the Cash Flow Statement referred to in our Report of even date

For Notes forming part of Accounts refer schedule "J" Annexed

FOR JAGTIANI & NAIK
Chartered Accountants

)
)
)
) DIRECTORS
)
)
)

J.G.NAIK
Partner

PLACE : MUMBAI

PLACE : MUMBAI

DATED :

DATED :

RATNI INVESTMENTS COMPANY LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

	AS AT	
	31ST MARCH	
	2010	2009
	<u>RUPEES</u>	<u>RUPEES</u>
A. <u>CAPITAL</u> :		
Authorised :		
10,00,000 Equity Shares of Rs. 10/- each	10,000,000	10,000,000
	=====	=====
Issued Subscribed and paid up :		
2,00,000 Equity Shares of Rs. 10/- each fully paid up	2,000,000	2,000,000
	=====	=====
B. <u>UNSECURED LOANS</u> :		
Loan from Body Corporate (Interest Free)	7,387,697	7,383,697
	-----	-----
	7,387,697	7,383,697
	=====	=====

RATNI INVESTMENTS COMPANY LIMITED

SCHEDULE "C" : FIXED ASSETS

ASSESTS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost As Per Last Year	Additions	Deductions	Total Cost	Upto Last Year	For the Year	Deducted on Sale/Disposal	Total	As At 31st March		
									2010	2009	
Office Equipment	13.91%	13,018	-	-	13,018	4,431	1,195	-	5,625	7,393	8,587
Computer	40%	78,200	6,032	-	84,232	77,775	824	-	78,599	5,633	425
Vehicles	25.89%	232,782	-	-	232,782	231,342	373	-	231,715	1,067	1,440
Software(Tally9) (36 Months)		11,232	-	-	11,232	4,368	3,744	-	8,112	3,120	6,864
TOTAL		335,232	6,032	-	341,264	317,916	6,135	-	324,051	17,213	17,316
PREVIOUS YEAR		335,232	-	-	335,232	335,232	5,918	-	317,916	17,316	23,234

RATNI INVESTMENTS COMPANY LIMITED

D. INVESTMENTS (AT COST) LONG TERM		<u>FACE VALUE</u>	AS AT 31ST MARCH	
			<u>2010 RUPEES</u>	<u>2009 RUPEES</u>
IN SHARES : Fully paid up				
a) Unquoted :				
i) In Subsidiary Company				
36180	Equity Shares of Suchindram Investments Pvt. Ltd.	100	3,618,000	3,618,000
ii) Others (Non-trade)				
500	DCM Vaults Ltd.	10	5,000	5,000
100	Silvalional Chemicals Ltd.	10	1,000	1,000
460	Vohra Builders Pvt. Ltd.	100	358,283	358,283
2888	Pelican Paints Ltd.	100	288,800	288,800
17000	Arjav Investments Pvt. Ltd.	100	1,700,000	1,700,000
150000	Tribune Investment & Trading Co. Pvt. Ltd.	10	1,500,000	1,500,000
b) Quoted (Non-trade)				
7450	Killick Nixon Limited	10	101,202	101,202
10200	Cifco Finance Limited	10	162,650	162,650
4920	Central Provinces Railway Co. Ltd	10	14,610	14,610
500	Hingir Rampur Coal Co. Ltd.	50	11,520	11,520
1600	V. B. Desai Financial Services Ltd.	10	32,125	32,125
5500	Rodal Circa Print Electronics Ltd.	10	64,025	64,025
1475	Mazda Industries Ltd.	10	14,900	14,900
5700	Jamna Auto Industries Ltd.	10	276,450	276,450
16087 {10725}	W.H.Brady & Co. Ltd. (Bonus Shares of 5362 received)	10	171,600	171,600
640	Priyadarshini Spinning Mills Ltd.	10	17,250	17,250

1000	Bharat Gears Ltd.	10	48,000	48,000
3000	Graphite India Ltd.	2	40,440	40,440
1500	Pix Transmission Ltd.	10	48,750	48,750
1500	Garware Marine Industries Limtied	10	38,625	38,625
50	Regent Chemicals Ltd.	10	500	500
200	Sunraj Diamond Export Ltd.	10	2,000	2,000
1636	Jaiprakash Associates Ltd.	10	67,371	67,371
1000	Shriram Honda Ltd. (Honda Siel Power Products Ltd.)	10	39,250	39,250
6500	Snow Cem India Limited	10	462,547	462,547

JEWELLERY :

Jewellery and Diamonds	-	368,800	368,800
		-----	-----
		9,453,698	9,453,698
Less : Diminution in Value of Shares		868,024	1,189,239
		-----	-----
		8,585,674	8,264,459
		=====	=====

NOTES :

a) Aggregate value of quoted investments :			
i) Cost		1,613,815	1,613,815
ii) Market Value		5,095,012	1,785,909
b) Aggregate value of Unquoted investments		7,471,083	7,471,083
c) Aggregate value of Jewellery and Diamonds		368,800	368,800

E. CURRENT ASSETS, LOANS AND ADVANCES :

E-1 Inventories :

Closing Stock of shares (At Cost or break up value of unquoted shares whichever is lower)
825 Unquoted Fully paid up Equity Shares of Pelican Paints Limited.

825	825
=====	=====

E-2 Sundry Debtors :

(Unsecured, Considered Good)

Due for period of less than six months

97,530	122,663
=====	=====

E-3 Cash and Bank Balances :

a) Cash Balance on Hand
(As taken and Certified by Management)

106,056	203,202
---------	---------

b) Balances with Scheduled Banks in Current Accounts

14,810	4,069
--------	-------

120,866	207,271
=====	=====

E-4 Other Current Assests :

a) Interest receivable on Fixed Deposit

8,200	5,317
-------	-------

b) Fixed Deposit Matured but not encashed

-	200,000
---	---------

8,200	205,317
=====	=====

E-5 Loans and Advances

(Unsecured, considered Good)

a) Fixed Deposit with Housing Development Finance Corporation Limited

200,000	-
---------	---

b) Loan to :

i) Others (Interest free)

1,162,500	1,162,500
-----------	-----------

ii) Staff

10,000	10,000
--------	--------

c) Advance tax and tax deducted at source and refund receivable

2,986,026	3,416,751
-----------	-----------

4,358,526	4,589,251
=====	=====

F. CURRENT LIABILITIES AND PROVISIONS :

F-1 Liabilities :

a) Sundry Creditors	920,387	949,009
b) Due to Killick Nixon Ltd.	25,754,586	25,754,586
c) Advance Received	300,000	300,000
d) Duties & Taxes Payable	9,026	787
	<u>26,983,999</u>	<u>27,004,382</u>
	=====	=====

F-2 Provisions :

a) Provision for Income Tax	-	414,826
b) Provision for Fringe Benefit Tax	-	19,500
	<u>-</u>	<u>434,326</u>
	=====	=====

RATNI INVESTMENTS COMPANY LIMITED

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	<u>2009-2010</u>	<u>2008-2009</u>
	<u>RUPEES</u>	<u>RUPEES</u>
G. <u>INTEREST AND DIVIDEND :</u>		
Interest :		
i) On Fixed Deposit with Bank (T.D.S.Rs.1,070/- (Rs. 2,990/-))	9,270	13,206
ii) Bank Interest	-	32
Dividend	10,143	40,608
Miscellaneous Income	2,395	47
	21,808	53,893
	=====	=====
H. <u>ADMINISTRATIVE AND OTHER EXPENSES :</u>		
Salaries and Benefits	361,600	303,092
Conveyance Expenses	67,237	44,086
Postage and Telephone Expenses	31,737	14,168
Statutory Advertisement	-	10,790
Legal and professional Fees	3,861	18,189
R.O.C Fees / Listing Fees	17,000	9,851
Auditors' Remuneration :		
Statutory Audit Fees	20,000	20,000
Taxation Matters	7,500	22,500
Out of Pocket Expenses	1,000	2,050
Service Tax	2,833	4,687
Miscellaneous Expenses	756	3,713
Income Tax and Fringe Benefit Tax paid	19,505	2,567
	533,029	455,693
	=====	=====
I. <u>DECREASE IN VALUE OF STOCK-IN-TRADE :</u>		
Closing Stock (Note : 5)	825	825
Less : Opening Stock	825	825
	-----	-----
	-	-
	=====	=====

RATNI INVESTMENTS COMPANY LIMITED

SCHEDULE TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH , 2010

“J” NOTES :

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES :

a) Basis of Accounting :

The financial statements have been prepared under historical cost convention in conformity in all material aspects with the generally accepted accounting principles in India and the requirements of the Companies Act, 1956.

b) Revenue Recognition :

The Accounts are prepared on accrual basis.

c) Fixed Assets :

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

d) Depreciation / Amortisation :

I. Tangible Assets :

Depreciation has been provided on written down value basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

II. Intangible Assets :

Intangible Assets are amortised over their economic useful lives as estimated by the management as given hereunder pro-rata from the month when the asset is available for use.

Computer Software – Three (3) years.

e) Investments :

Investments are capitalized at cost and are classified into two categories viz Current or Long Term. Provision for diminution in the value of quoted investments is made in the accounts (only if, in the opinion of the management such decline is other than temporary) in the line with the Mandatory Accounting Standard for Accounting of Investments (AS-13) issued by the Institute of Chartered Accountants of India and is recognised through the provision for diminution in value of Quoted Investment Account.

f) Employee Benefits :

1) Short Term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives etc. are recognized at actual amounts due in the period in which the employee renders the related service.

2) Post-employment Plans :

The numbers of employees are less than fifty, hence for the purpose of AS-15 the Company is classified as Group B Company accordingly :

a) Defined Contribution Plan :

Payments made to Defined Contribution Plans and other similar Schemes are charged to expense as and when paid.

b) Defined Benefit Plans :

In terms of arrangement and understanding between the management and the employees, no benefits accrue to the employee for any past service rendered by them. The Company does not incur any obligation towards such past service rendered on year to year basis. However if any sum is determined to be payable to any employee the same shall be calculated on rational basis and recorded in the year of payment.

3) Leave Encashment :

In terms of arrangement and understanding between the management and the employees not entitled to accumulated leave and claim encashment thereof on Superannuation or Resignation. However if any sum is determined to be payable to any employee the same shall be calculated on rational basis and recorded in the year of payment.

g) Inventories :

Stock-in-trade of unquoted equity shares is valued at cost or break up value whichever is lower.

h) Sundry Debtors :

Specific debts identified as irrecoverable are written off.

i) Taxation :

1) Provision for tax is made on the basis of the estimated taxable income as per the provisions of the Income Tax Act, 1961 and the relevant Finance Act, after taking into consideration judicial pronouncements and opinions of the Company's tax advisors.

2) Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

j) Impairment of Assets :

Where carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flow.

k) Provisions and Contingencies :

A provision is recognized when there is a present obligation as a result of a 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 estimates.

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 outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed in the financial statements.

2. Contingent Liability not provided for Rs. 25,29,034/- being Income Tax Demand disputed in appeal.
3. In the opinion of the Board, the Current Assets Loans and Advances are not less than the values stated if realised in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amount reasonably necessary. There is no contingent liability.
4. The Company has not accepted any deposits from the public.
5. The latest audited accounts available with the Company in respect of following unquoted investments, in which the Company has made total investments of Rs. 74,71,083/- shows, substantial erosion of net worth of these companies. However, in view of Strategic Investments and long term nature of the Company's investments in these companies no provision for diminution in value of its investment is presently considered necessary except in the case of 2,888 unquoted fully paid up Equity Shares of Pelican Paints Private Limited which is shown as investment and 825 unquoted full paid up Equity Shares of Pelican Paints Private Limited which is shown as inventories and the same is valued at Re. 1/- per share only.

<u>Name of Companies</u>	<u>Amount of Investment Rupees</u>
a) <u>Subsidiary Company</u>	
Suchindram Investments Pvt. Ltd.	36,18,000 =====
b) <u>Associate Company</u>	
i) Vohra Builders Pvt. Ltd.	3,58,283
ii) Pelican Paints Ltd.	2,88,800
iii) Arjav Investments Pvt. Ltd.	17,00,000
iv) Tribune Investment & Trading Co. Pvt. Ltd.	15,00,000
	38,47,083 =====
c) <u>Others Companies</u>	
i) DCM Vaults Ltd.	5,000
ii) Silvalional Chemicals Ltd.	1,000
	6,000 =====
Total a+b+c	74,71,083 =====

6. DISCLOSURES UNDER ACCOUNTING STANDARDS :

a. SEGMENT REPORTING (AS-17) :

The Company operates in one Segment only Viz Investments. It operates only in Domestic Market, hence there are no business/ geographical segments to be reported as required under Accounting Standard (As -17) "Segment Reporting" issued by the Institute of Chartered Accountants of India.

b. RELATED PARTY DISCLOSURE (AS-18) :

The management has identified the following Related Party Relationships and Related Party Transactions.

a) Related Party Relationship

	<u>PARTY</u>	<u>NATURE OF RELATIONSHIP</u>
1.	Dhanraj Mills Private Limited	Substantial Interest in Company.
2.	Cambridge Bright Wire & Computer Peripherals Pvt. Ltd.	Substantial Interest in Company.
3.	Tirath Hotels Pvt. Ltd.	Substantial Interest in Company.
4.	Tejco Financers Pvt. Ltd.	Substantial Interest in Company.
5.	Grey Steel Casting & Finishing Co. Pvt. Ltd.	Substantial Interest in Company.
6.	Suchindram Investments Pvt. Ltd.	Subsidiary Company
7.	Arjav Investments Private Limited	Associate Company
8.	Tribune Investment & Trading Co. Pvt. Ltd.	Associate Company
9.	Ramgopal Ganpatrai & Sons. Pvt. Ltd.	Substantial Interest in Dhanraj Mills Pvt. Ltd.
10.	Ramrikhdas Balkisan & Sons. Pvt. Ltd.	Substantial Interest in Dhanraj Mills Pvt. Ltd.
11.	Killick Nixon Ltd.	Substantial Interest by Dhanraj Mills Pvt. Ltd.
12.	Prime City Trading & Investment Co. Pvt. Ltd.	Substantial Interest by Cambridge Bright Wire & Computer Peripherals Pvt. Ltd.
13.	Prime City Capital Trust Pvt. Ltd.	Substantial Interest by Tejco Financers Pvt. Ltd.

b) Related Party Transactions

Sr. No.	Name of Related Party	Nature of Transaction	Volume of Transaction	Balance As On 31.3.2010	Receivables (R) or Payables(P)

1.	Suchindram Investments Pvt. Ltd.	Equity Investment	-- (--)	36,18,000 (36,18,000)	--
2.	Dhanraj Mills Pvt. Ltd.	Rent charge Payable	-- (--)	7,91,499 (7,91,499)	P
3.	R. B. Sons And Pvt. Ltd.	Unsecured Loans	4,000 (--)	73,87,697 (73,83,697)	P
4.	Killick Nixon Ltd.	Payable	-- (--)	2,57,54,586 (2,57,54,586)	P
		Equity Investments	-- (--)	1,01,202 (1,01,202)	--

c) EARNINGS PER SHARE (AS-20) :

Particulars	March 31, 2010 Rupees	March 31, 2009 Rupees
Numerator used for calculating basic and diluted earnings per share - profit after taxation	2,32,681	(3,22,945)
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share	2,00,000	2,00,000
Nominal value of shares	10	10
Basic and diluted earnings per share	1.16	(1.61)

d) ACCOUNTING FOR TAXES ON INCOME (AS-22) :

As a matter of prudence, the Company has not created a Deferred Tax Asset on the carried forward and current losses due to uncertainty of utilization and provision for diminution in value of investments due to absolute losses in the investment. Deferred Tax Liability represent tax impact of difference between book and tax depreciation.

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

These are schedules referred to in our report of even date.

Signatures to Schedules "A" to "J" Annexed

For JAGTIANI & NAIK
Chartered Accountants

J. G. NAIK
PARTNER

PLACE : MUMBAI

DATED : 30.08.2010

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)
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DIRECTORS

PLACE : MUMBAI

DATED : 30.08.2010