

NEW HORIZON LEASING & FINANCE LIMITED

ANNUAL REPORT 2010

Board of Directors

Sri T Rajkumar
Sri Pradip R Shroff
Sri Hemendra J Shroff
Sri Shashank S Vijayakar

Registered Office

No.1, Sundaram Brothers Layout
Opp. to All India Radio
Trichy Road
Coimbatore – 641 045

Auditors

A N Damania & Co
Chartered Accountants
Mumbai

Bankers

Canara Bank
Mumbai

Registrar and Share Transfer Agents

Purva Shareregistry (India) Pvt. Ltd.
9, Shiv Shakti Industrial Estate
J .R. Boricha Marg
Opp. Kasturba Hospital Lane
Lower Parel (E)
Mumbai 400 011
E-Mail : mail@purvashare.com

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NEW HORIZON LEASING & FINANCE LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Thursday, 30th September 2010 at 10.30 a.m at the Registered Office at No.1, Sundaram Brothers Layout, Opp. All India Radio, Trichy Road, Coimbatore – 641 045 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint Sri K Dhanakumar as a Director of the Company whose period of office shall be liable to determination by retirement by rotation in place of Sri Hemendra J. Shroff, Director who retires by rotation and has expressed his unwillingness to be reappointed as a Director of the Company.
3. To appoint M/s S Lakshminarayanan Associates, Chartered Accountants, Coimbatore, as Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on the remuneration and out-of-pocket expenses as may be approved by the Board of Directors, in place of M/s A N Damania & Co, Chartered Accountants, who have expressed their unwillingness to be reappointed.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT in accordance with Section 94(2) and all other applicable provisions of the Companies Act 1956 and the Articles of Association of the Company, the Authorised Share Capital of the Company be increased from Rs.2,00,00,000 (Rupees Two Crores only) divided into 20,00,000 (Twenty Lakhs) equity shares of Rs.10 (Rupees Ten) each to Rs.5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Five Lakhs) equity shares of Rs.10 (Rupees Ten) each.

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution :

RESOLVED THAT in accordance with Section 16(1) and all other applicable provisions of the Companies Act 1956, the Memorandum of Association of

the Company be and is hereby altered by deleting the existing Clause V and substituting in its place the following new Clause V:

- V. The Authorised Share Capital of the Company is Rs.5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs.10 (Rupees Ten) each. Any share of the original or increased capital may from time to time be issued with guarantee or any right of preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantages over any shares previously issued or then about to be issued or with deferred or qualified to any provisions or conditions and with any special right or without any right of voting and generally such terms as the Company may from time to time determine.
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT in accordance with Section 31 and all other applicable provisions of the Companies Act 1956, the Articles of Association of the Company be and is hereby altered by deleting the existing Article 4 and substituting in its place the following new Article 4.

4. The Authorised Share Capital of the Company is Rs.5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each. Any share of the original or increased capital may from time to time be issued with guarantee or any right of preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantages over any shares previously issued or then about to be issued or with deferred or qualified to any provisions or conditions and with any special right or without any right of voting and generally such terms as the Company may from time to time determine.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM SHOULD BE DEPOSITED WITH THE REGISTERED OFFICE OF

NEW HORIZON LEASING & FINANCE LIMITED

THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. As required under Clause 49 (IV) (G) of the Listing Agreement, the relevant details of the Director seeking appointment under Item No. 2 is annexed.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts of Special Business is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 28th September 2010 to Thursday, 30th September 2010, both days inclusive.
5. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
6. Members holding shares in physical form are requested to intimate, indicating their folio number, the changes, if any, in their registered addresses either to the Company or to the Registrar and Share Transfer Agents, Purva Shareregistry (India) Private Limited, Mumbai – 400 001 or to their respective Depository Participant (DP) in case the shares are held in dematerialised form.

Date : 3rd September 2010

Place : Mumbai

By Order of the Board

T. Rajkumar

Director

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956

Item No.2

Sri Hemendra J Shroff who retires by rotation at the Annual General Meeting of the Company has expressed his unwillingness to be reappointed as a Director of the Company. Hence, it is proposed to appoint Sri K Dhanakumar as a Director of the Company. Sri K Dhanakumar has given his consent to be appointed as Director of the Company.

Sri K Dhanakumar holds a Master's Degree in Business Administration from Lorenz University, USA. He has extensive business experience of over 12 years together with training in production processes. He is currently the Joint Managing Director of Imperial Spirits Private Limited, flagship Company of Imperial Spirits Group.

A notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Sri K Dhanakumar as a candidate for the office of Director of the Company.

The Board is of the view that Sri K Dhanakumar's knowledge and experience will be of immense benefit and value to the Company and therefore, recommends his appointment to the members.

Sri T Rajkumar, Director, is interested in the appointment as his relative.

Sri K Dhanakumar holds no equity shares of the Company.

Item No.3

M/s A N Damania & Co, Chartered Accountants, Mumbai, retiring auditors have expressed their unwillingness to be reappointed as statutory auditors of the Company. Hence, it is proposed to appoint M/s S Lakshminarayanan Associates, Chartered Accountants, Coimbatore as Statutory Auditors of the Company. M/s S Lakshminarayanan Associates, Chartered Accountants have given their consent to be appointed and have confirmed that their appointment, if made, would be in compliance of the Section 224(1B) of the Companies Act 1956. The appointment was recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 3rd September 2010. As per Section 190 read with Section 224(2)(b) and 225, a special notice is required to

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be given to the members of the Company if a person other than the retiring auditor is appointed as a statutory auditor.

Special notice is hereby given to the members of the Company to appoint M/s S Lakshminarayanan Associates, Chartered Accountants, as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General meeting.

None of the Directors is interested or concerned in the said resolution.

ITEM NO.4 to 6

The present Authorised Share Capital of the Company is Rs 2,00,00,000 consisting of 20,00,000 Equity Shares of Rs.10 each. The present subscribed, issued and paid-up equity share capital of the Company is Rs.97.95 lakhs consisting of 10,00,000 equity shares of Rs.10 each.

With a view to increase the capital base and raise the net worth, the Board of Directors have decided to increase the Authorised capital by creation of additional 30,00,000 Equity Shares of Rs.10 each. The revised Authorised Share Capital will be Rs 5,00,00,000 divided into 50,00,000 Equity Shares of Rs.10 each. This requires the approval of the members under Section 94(1)(a) of the Companies Act, 1956 for which necessary resolution is proposed as set out in Item No.4.

As a consequence, the Capital Clause in the Memorandum of Association (Clause V) and the Articles of Association (Article 4) have to be amended and the necessary Resolutions are proposed under Item No.5 and 6 for the approval of the Members. The Board of Directors recommends the passing of the Resolutions.

None of the Directors is in any way concerned or interested in the said resolutions.

A Copy of the Memorandum and Articles of Association of the Company along with the proposed alterations is available for inspection at the Registered Office by any member during the business hours on any working day.

Date : 3rd September 2010

Place : Mumbai

By Order of the Board

T. Rajkumar

Director

Item No.2

DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 (IV) (G) OF THE LISTING AGREEMENT

Name of the Director	K Dhanakumar
Director Identification Number	00048730
Date of Birth and Age	11th November 1969, 41 years
Qualifications	B.Sc., M.B.A
Expertise in specific functional areas	Production processes
Directorships held in other public companies	Sri Mahasakthi Mills Limited
Memberships / Chairmanships of committee across public companies	Nil
No of equity shares held	Nil
Relationship with other directors	Brother of Sri T Rajkumar

NEW HORIZON LEASING & FINANCE LIMITED

DIRECTORS' REPORT

To the Members

Your Directors are pleased to present their Annual Report together with the audited accounts of the Company for the financial year ended 31st March 2010.

FINANCIAL PERFORMANCE

(Rs. lakhs)

Particulars	2009-10	2008-09
Gross Income	46.36	8.58
Gross Profit (before interest, depreciation & taxation)	23.26	8.05
Profit before tax	23.26	8.05
Provision for taxation	8.00	1.60
Profit after tax	15.26	6.45
Prior Period Expenses	0.22	–
Profit after adjustments	15.03	6.45
Add : Opening balance in Profit and Loss account	8.86	2.41
Profit carried to Balance Sheet	23.90	8.86

BUSINESS

During the year under review, the Company made a gross income of Rs.46.36 lakhs from its trading and commercial activities as against Rs.8.58 lakhs during the previous year. The net profit for the year was Rs.15.26 lakhs as against Rs.8.05 lakhs during the previous year.

DIVIDEND

With a view to conserve resources for future requirements, the Board of Directors have not recommended dividend on equity shares for the year ended 31st March 2010.

SHIFTING OF REGISTERED OFFICE

The Company has shifted its Registered Office to Coimbatore, State of Tamilnadu after the acquisition of two textile companies as subsidiaries. The members have approved the shifting of Registered Office by passing a special resolution through postal ballot, which was confirmed by the Honourable Company Law Board, Mumbai.

DIRECTORS

Sri Hemendra J Shroff who retires by rotation at the ensuing Annual General Meeting of the Company has expressed his unwillingness to be reappointed as a Director of the Company. Hence, it is proposed to appoint Sri K Dhanakumar as Director of the Company in place of the retiring director. The Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of Director. Sri K Dhanakumar has given his consent to be appointed as Director of the Company.

The profile of the Director, as required under Clause 49 (IV) (G) of the Listing Agreement entered into with Bombay Stock Exchange is given in the Annexure to the Notice of the Annual General Meeting.

SUBSIDIARY COMPANIES

As required under Section 212 of the Companies Act 1956, the Audited Financial Statements for the year ended 31st March 2010 of the subsidiaries Sri Mahasakthi Mills Limited and Sri Arumuga Cottspin Private Limited, along with the Schedules and the Reports of the Directors and Auditors and also the statement under the said Section are attached.

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of the Company and its subsidiaries prepared in accordance with the Accounting Standard (AS-21) forms part of the Annual Report.

CORPORATE GOVERNANCE REPORT

As required under Clause 49 of the Listing Agreement, a report on Corporate Governance (including Management Discussion and Analysis Report) and a certificate from the Auditors of the Company regarding compliance of the conditions of corporate governance as stipulated under the listing agreement form part of the Annual Report.

PARTICULARS REQUIRED UNDER SECTION 217 OF THE COMPANIES ACT 1956

As required under Section 217(1) (e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988:

- a. The Company has no activity involving conservation of energy or technology absorption;

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- b. The Company does not have any Foreign Exchange Earnings; and
- c. There is no Foreign Exchange Outgo
The Company has no employee drawing remuneration more than the limits prescribed under Section 217(2A) of the Companies Act 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act 1956, your Directors confirm, to the best of their knowledge and belief, that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and that no material departure had been made from it;
- b. 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 and of the profit of the Company for the financial year;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s A N Damania & Co, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and have expressed their unwillingness to be reappointed. Hence, the Directors recommend the appointment of M/s S Lakshminarayanan Associates, Chartered Accountants, Coimbatore as Statutory Auditors of the Company. The Company has obtained a confirmation from them that their appointment, if made, at the forthcoming annual general meeting would be within the limits specified under Section 224(1B) of the Companies Act 1956.

ACKNOWLEDGEMENTS

Your Directors wish to place on record the valuable assistance and co-operation extended by the members.

Date : 3rd September 2010
Place : Mumbai

For and on behalf of the Board
T. Rajkumar
Director

CORPORATE GOVERNANCE REPORT
(Pursuant to Clause 49 of the Listing Agreement)

1. Board of Directors**a. Composition and size of the Board**

The Board of Directors presently consists of four members and all of them are Non-Executive Directors who bring in a wide range of skills and experience to the Board.

None of the Directors on the Company's Board is a member of more than ten Committees and Chairman of more than five Committees across all Companies in which he is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

b. Number of Board Meetings held during the year

During the financial year, 5 Board Meetings were held on 30th April 2009, 31st July 2009, 26th August 2009, 31st October 2009, and 30th January 2010. The gap between two meetings did not exceed four months.

c. Attendance and other Directorships

The composition of the Board of Directors, category, attendance at board meetings held during the financial year and at the last Annual General Meeting, number of other directorships and committee Chairmanship / Membership held are given below.

Name of the Director	Category of Director	Financial Year 2008-09 attendance at		As on 30th July 2009		
				No. of other Directorship ¹	Committee Position	
		Board Meeting	Last AGM		Chairman	Member
Sri T Rajkumar DIN: 00048665	Non-executive Promoter	4	Yes	9	—	—
Sri Pradip Shroff DIN: 00286291	Non-executive Independent	5	Yes	11	1	1
Sri Hemendra Shroff DIN: 00286509	Non-executive Independent	5	Yes	4	—	—
Sri S S Vijayakar DIN: 00286533	Non-executive Independent	5	Yes	4	—	—

¹ excludes directorships in private limited companies and Section 25 company.

3. Committees of the Board

A. Audit Committee

The brief terms of reference of the Audit Committee are:

- Reviewing the financial statements before they are submitted to the Board of Directors
- Reviewing the internal control systems
- Any other matters that are relevant

The Committee consists of 3 non-executive Directors, of which 2 are independent Directors as under :

Sri Pradip R Shroff, Chairman

Sri T Rajkumar, Member

Sri S S Vijayakar, Member

During the Financial year, 5 Meetings were held on 30th April 2009, 31st July 2009, 26th August 2009, 31st October 2009, and 30th January 2010.

All members of Audit Committee are financially literate. The minutes of the Audit Committee are placed before the Board of Directors at their meetings. The Chairman of Audit Committee was present at the last Annual General Meeting.

B. Nomination and Remuneration Committee

The Board has not set up a Remuneration Committee. At present, no Director is paid any remuneration for attending Board and Committee Meeting or for any other purpose.

C. Shareholders' / Investors' Grievance Committee

The function of the Committee is to redress the grievances of Shareholders' / investors' and to create and review the systems for improving the services. The Shareholders' and Investors' Grievance Committee comprises of 2 Directors viz. Sri Pradip R Shroff and Sri S S Vijayakar.

The Committee meets periodically to attend to transfer / transmission of shares, issue of duplicate share certificates and other grievances of shareholders. No complaint was received during the financial year.

4. Subsidiary Company

The Audit Committee reviews the financials of the subsidiary companies. The minutes of subsidiaries are being placed before the Board of Directors of the Company.

5. General Body Meetings

Details of date, time and venue where the last three Annual General Meetings were held are given below :

Year	AGM/EGM	Date	Time	Venue
2009	AGM	30th September 2009	10.00 a.m	Cama Building, 1st Floor, 24/26, Dalal Street, Fort, Mumbai-400 001
2008	AGM	2nd September 2008	10.00 a.m	
2007	AGM	30th September 2007	10.30 a.m	

The members have at the Extra Ordinary General Meeting dated 26th April 2008 passed three special resolutions. Further, the members have passed three special resolutions through postal ballot notice circulated on 22nd July 2009.

6. Disclosures

Details of materially significant related party transactions that may have potential conflict with the interest of the Company are provided in the notes forming part of the accounts for the details of related party transactions.

7. Management

A detailed Management Discussion and Analysis Report forms part of the Annual Report.

8. Directors' reappointment

Details of disclosure regarding appointment of Director liable to retire by rotation are given in the Annexure to the Notice.

9. General Shareholder Information**Annual General Meeting**

Day date & time : Thursday, 30th September 2010 at 10.30 a.m

Venue : No.1, Sundaram Brothers Layout, Trichy Road, Coimbatore – 45

Financial Calendar for 2010-11

Year ending	:	31st March 2011
First Quarter results	:	Before 31st July 2010
Second Quarter results	:	Before 31st October 2010
Third Quarter results	:	Before 31st January 2011
Annual results	:	Before 30th June 2011
AGM	:	August / September 2011

NEW HORIZON LEASING & FINANCE LIMITED

Listing on Stock Exchanges and Stock Code

a. Listing

The equity shares are listed at Bombay Stock Exchange. The listing fee has been paid to the Exchange. The trading of shares has been suspended against which the Company has been taking active steps. As a result, the Bombay Stock Exchange has granted an in-principle approval for revocation of suspension.

b. Stock Exchange

Bombay Stock Exchange Limited, Mumbai

Stock Code

507918

c. International Securities Identification Number (ISIN) INE240L01011

d. Corporate Identification Number (CIN) L99999TZ1984PLC015887

e. Registrars and Share Transfer Agents

Purva Sharegistry (India) Pvt. Ltd.

9, Shiv Shakti Industrial Estate

J .R. Boricha Marg

Opp. Kasturba Hospital Lane

Lower Parel (E)

Mumbai 400 011

E- Mail : mail@purvashare.com

Distribution of shareholding

The distribution of shareholding as on 31st March 2010 is as under:

Shareholdings	No of shareholders	No of Shares	% of shareholding
1 - 500	750	1,07,460	10.75
501 - 1000	11	9,100	0.91
1001 - 2000	3	4,100	0.41
2001 - 3000	0	0	0.00
3001 - 4000	0	0	0.00
4001 - 5000	0	0	0.00
5001 - 10000	2	15,050	1.50
10001 & above	10	8,64,290	86.43
Total	776	10,00,000	100.00

Shareholding pattern

The shareholding pattern as on 31st March 2010 is as under:

Category	Percentage
Promoters	61.45
Other bodies corporate	1.62
Banks, Financial Institutions and mutual funds	—
Non-resident Incorporated Entity	—
Non-resident Indians	—
Resident public	36.93
Total	100.00

10. Auditors' Certificate on Corporate Governance

As stipulated in Clause 49 of the Listing Agreement, the Auditors' Certificate on compliance of conditions of Corporate Governance is annexed to the Annual Report.

Date : 3rd September 2010

Place : Mumbai

For and on behalf of the Board

T. Rajkumar

Director

NEW HORIZON LEASING & FINANCE LIMITED

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE
CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49
OF THE LISTING AGREEMENT**

To the members of New Horizon Leasing & Finance Limited

We have examined the compliance of the conditions of Corporate Governance by New Horizon Leasing & Finance Limited (the Company) during the period from 1st April, 2009 to 31st March, 2010, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange have been completed with in all material respects by the Company.

**For A. N. Damania & Co
Chartered Accountants**

Ashvin N. Damania
Proprietor

Date : 3rd September 2010
Place : Mumbai

Membership No. 40166
Firm Regn. No.102077W

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Overview

The Company's Subsidiaries are engaged in the Textile Industry. The future of the textile industry seems to be bright in all aspects. As such Government places all its trust and relies on this sector for its strong 'employment creation' capability. Lowering tax burden on the industry will play an important part in cutting down production costs and boosting competitiveness, increasing ability to tap high-volume orders from the global market. Modernisation would enable companies to provide quality and volume solutions which is in constant demand by international players.

Opportunities

Your Company with two textile Companies as its subsidiaries stand to gain by the positive outlook of the industry in the coming years. The Company is also on the constant look out to diversify into other lines of business.

Threats

Increase in raw material price and input cost may affect the profitability of the Company to a certain extent. The Company is taking steps to pass on the burden in tune with the competition.

Business outlook

The Company is constantly looking out for niche areas where it can make a strong foot print. Besides the textile subsidiaries are going in for forward integration like dyeing and garment making.

Performance and financial review

During the year under review the Company recorded a gross income of Rs 46.36 lakhs as against Rs 8.58 lakhs during previous year and net profit of Rs 15.26 lakhs as against Rs 8.05 lakhs during previous year.

Risks and Concerns

Your Company does not face any risk other than those prevalent in the Industry. The Company is taking measures to mitigate such risks through prudent risk management system.

Internal Control System and its Adequacy

The Company has a sound and adequate system of internal controls to monitor and regulate all the activities. The Company complies with internal control policies and procedures and other regulatory requirements.

Date : 3rd September 2010

Place : Mumbai

For and on behalf of the Board

T. Rajkumar

Director

NEW HORIZON LEASING & FINANCE LIMITED

COMPLIANCE CERTIFICATE

Registration number/CIN	L99999TZ1984PLC015887
Nominal capital	Rs. 100 lacs

The Members
New Horizon Leasing & Finance Limited
No.1, Sundaram Brothers Layout
Opp. All India Radio, Trichy Road
Coimbatore – 641 045

I have examined the registers, records, books and papers of M/s. New Horizon Leasing & Finance Limited, 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 my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers. I 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 within the time prescribed under the Act and rules made thereunder.
3. The Company, being a Public Limited Company, comments as per Section 3(1)(iii) of the Act are not required.
4. The Board of Directors duly met 5 (Five) times on 30.04.2009, 31.07.2009, 26.08.2009, 31.10.2009 and 30.01.2010 in respect of which meetings proper notices were given and the resolutions passed were recorded in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 29th September 2009 to 30th September 2009 (both days inclusive) during the financial year.

6. The Annual General Meeting for the financial year ended on 31st March 2009 was held on 30th September 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. During the year the Company has passed 4 Special Resolutions through Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, vide Postal Ballot Notice dated 22nd July 2009 and the result was declared by the Scrutinizer appointed on 26th August, 2009.
9. It was informed that the Company has not advanced any loans to its directors and/or persons or firms or companies referred in Section 295 of the Act during the financial year.
10. It was informed that the Company has not entered into any fresh contracts during the financial year falling within the provisions of Section 297 of the Act.
11. It was informed that since there were no contracts during the financial year the Company has not made any entries in the Register maintained under Section 301 of the Act.
12. As there were no instance falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, members or Central Government.
13. That
 - i) the Company has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - ii) The Company was not required to post any warrants to the members as no dividend was declared during the financial year.
 - iii) There are no amount lying in unpaid dividend account, application money due for refund, matured deposits and debentures and the interest accrued thereon and no amount has remained unclaimed or unpaid for

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a period of seven years for the requirement to transfer to Investor Education and Protection Fund.

- iv) The requirement of Section 217 of the Act has been duly complied with.
14. The Board of Directors of the Company is duly constituted and the appointment of directors has been duly made. During the financial year one additional Director has been appointed and the required form has been filed with Registrar of Companies.
15. The Company has not appointed any sole selling agents during the financial year.
16. During the year the Company has shifted its Registered Office from the State of Maharashtra to the State of Tamil Nadu with the prior approval from the Company Law Board, vide its Order dated 28th October, 2009 for shifting the Registered Office. Other than this, the Company was not required to obtain any 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 during the financial year.
17. 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.
18. The Company has not issued any shares, debentures or other securities during the financial year.
19. The Company has not bought back any shares during the financial year.
20. There was no redemption of preference shares / debentures during the financial year.
21. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

22. The Company has not invited / accepted any deposits including any unsecured loan falling within the purview of Section 58A of the Act during the financial year.
23. The Company has altered the provisions of the Memorandum of Association to commence new business under Clause III 58 & 81 by passing Special Resolutions through the Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, vide Postal Ballot Notice dated 22nd July 2009 and the result was declared by the Scrutinizer appointed on 26th August, 2009.
24. The Company has not altered its Articles of Association during the financial year.
25. It was informed that there were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishments was imposed on the Company during the financial year for offences under the Act.
26. The Company has not received any amount as security from its employees during the financial year.
27. The Company has not created any trust as defined in Section 418 of the Act. Hence, the said section is not applicable.

Date : 26th August 2010
Place : Mumbai

P.V. Ramaswamy
Company Secretary
Membership No. 1708
C.P. No. 2087

NEW HORIZON LEASING & FINANCE LIMITED

Annexure 'A'

Registers kept by the Company

Statutory Registers:

1. Register of Members u/s. 150
2. Register of Share Transfer u/s. 108
3. Register of Directors, Managing Director, Secretary u/s. 303
4. Register of Directors Shareholding u/s. 307
5. Minutes Books of General Meetings and Board Meetings u/s. 193
6. Register of Charges u/s. 143
7. Books of Account u/s. 209
8. Registers and Returns u/s. 163
9. Register of Disclosure of Interest of Directors.

Annexure 'B'

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

S.No.	Form No.	U/S.	Description	Date of filing
1	Form 23 AC & 23 ACA	220	Balance Sheet and Profit & Loss Account for the year ended 31.3.2009 AGM date 30.9.2009	11.11.2009
2	Form 66	383A	Compliance Certificate	05.11.2009
3	Form 32	260	Appointment of Additional Director	17.08.2009
4	Form 23	192	Resolution for appointment of Additional Director	30.10.2009
5	Form 23	192	4 Special Resolutions passed through Postal Ballot dated 26.08.2009	22.09.2009
6	Form 21	17(1)	Filing of Company Law Board Order 28.10.2009	11.11.2009
7	Form 18	146	Shifting Registered Office from the State of Maharashtra to the State of Tamil Nadu	24.02.2010

P.V. Ramaswamy

Company Secretary

Membership No. 1708

C.P. No. 2087

Date : 26th August 2010

Place : Mumbai

**AUDITORS' REPORT TO THE MEMBERS OF
NEW HORIZON LEASING & FINANCE LIMITED**

1. We have audited the attached Balance Sheet of **New Horizon Leasing & Finance Limited** as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date, annexed thereto and Cash-flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose 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:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;

NEW HORIZON LEASING & FINANCE LIMITED

- e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and read with Note No.6 regarding disputed Sales – tax (Lease Act) demands for Rs.32.97 lac not provided for and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii In so far as it relates to the Profit and Loss Account, of the Profit for the year ended on that date; and
 - iii In so far as it relates to cash flow statement of the cash flow, for the year ended on that date.

For A. N. Damania & Co
Chartered Accountants

Ashvin N. Damania
Proprietor
Membership No. 40166
Firm Regn. No.102077W

Date : 3rd September 2010
Place : Mumbai

ANNEXURE TO THE AUDITORS' REPORT

Re : **New Horizon Leasing & Finance Limited**
(Referred to in paragraph 3 of our report of even date)

1. The Company does not have any fixed assets ; hence clause (ia), (ib) and (ic) of paragraph 4 of the Order are not applicable.
2. The Company does not have any inventory ; hence clauses (iia), (iib) and (iic) of paragraph 4 of the order are not applicable.
3. The Company has not granted or taken any loans to/ from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, requirements of clauses (iii.a) to (iii.g) of paragraph 4 of the Order are not applicable.
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 inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. Based on the audit procedures applied by us and according to the information and explanations given to us, there are no transactions that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted deposits from the public within the meaning of Sections 58A, 58AA or any other provisions of the Companies Act, 1956, where applicable and the Rules framed thereunder. We are informed that no Order has been passed by the Company Law Board, Reserve Bank of India or any Court or any other Tribunal.
7. The Company did not have any independent internal auditor. However, according to the information and explanations given to us, the Company has an internal audit system, which is commensurate with the size of the Company and nature of its business.

NEW HORIZON LEASING & FINANCE LIMITED

8. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
9. According to the information and explanations given to us and according to the books and records produced before us the provisions of Provident Fund Act, Employees State Insurance Act, Sales Tax Act, Wealth tax Act, Custom Duty Act, are not applicable to the Company for the year under review. No undisputed amounts payable in respect of sales tax, Wealth tax, custom duty, excise, cess etc. were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable.

According to the information and explanations given to us by the management and the records of the Company examined by us there were dues of Sales Tax (Lease Act) which have not been deposited as at 31st March, 2010 on account of dispute as under.

Nature of dues	Amount (Rs. In lacs)	Forum where dispute is
Sales Tax (F.Y.1987-89)	11.05	Sales Tax Appellate Tribunal
Sales Tax (F.Y.1989-90)	6.54	Sales Tax Appellate Tribunal
Sales Tax (F.Y.1990-91)	10.13	Sales Tax Appellate Tribunal
Sales Tax (F.Y.1991-92)	5.21	Sales Tax Appellate Tribunal
Sales Tax (F.Y.1987-88)	0.04	Sales Tax Appellate Tribunal

10. The Company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. The Company has not obtained any loans from the financial institution or bank nor issued any debentures ; hence clause (xi) of the Order is not applicable.
12. As per the books and records of the Company examined by us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. Clause (xiii) of the Order is not applicable as the Company is not a Chit Fund Company or Nidhi/Mutual benefit fund/society.
14. In our opinion, the Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, debentures and other investments during the year and timely entries have been generally made therein. All shares, debentures and other investments have been held by the Company in its own name.
15. As informed to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company has not taken any term loans ; hence clause (xvi) of the Order is not applicable.
17. According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that short - term funds have not been used to finance long - term assets.
18. The Company has not made any preferential allotment of shares during the year and therefore, clause (xviii) of the Order is not applicable.
19. The Company has not issued any debenture during the year and therefore, clause (xix) of the Order is not applicable.
20. The Company has not raised any money by way of public issue during the year and therefore, clause (xx) of the Order is not applicable.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of the audit.

For A. N. Damania & Co
Chartered Accountants

Ashvin N. Damania
Proprietor

Date : 3rd September 2010
Place : Mumbai

Membership No. 40166
Firm Regn. No.102077W

NEW HORIZON LEASING & FINANCE LIMITED

BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	SCHEDULE	As at 31.03.2010 Rs	As at 31.03.2009 Rs
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	9,795,500	9,795,500
Reserves & Surplus	2	2,390,065	886,157
		<u>12,185,565</u>	<u>10,681,657</u>
Investments	3	100,000,000	943,464
Current Assets, Loans & Advances			
Sundry Debtors	4	13,924,476	10,096,374
Cash & Bank Balance	5	200,166	32,356
Loans & Advances	6	594,459	626,369
		<u>14,719,101</u>	<u>10,755,099</u>
Less: Current Liabilities & Provisions 7			
Sundry Creditors		101,966,826	976,166
Provisions		566,710	40,740
		<u>102,533,536</u>	<u>1,016,906</u>
Net Current Assets		(87,814,435)	9,738,193
		<u>12,185,565</u>	<u>10,681,657</u>
Notes Forming Part of Accounts	9		

As per our attached Report of even date
For A N Damania & Co.
 Chartered Accountants

Ashvin N Damania
 Proprietor
 Membership No.40166
 Firm Regn.No.102077W

For and on behalf of Board of Directors

T Rajkumar
 Director

Pradip R Shroff
 Director

Date : 3rd September 2010
 Place : Mumbai

ANNUAL REPORT 2010

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

PARTICULARS	SCHEDULE	As at	As at
		31.03.2010	31.03.2009
		Rs	Rs
INCOME			
Sales		2,290,130	-
Other Income		2,345,572	857,500
		<u>4,635,702</u>	<u>857,500</u>
EXPENDITURE			
Purchases		2,118,515	-
Administrative & Other Expenses	8	191,174	52,626
		<u>2,309,689</u>	<u>52,626</u>
Profit for the year before Tax		2,326,013	804,874
Provision for Tax		800,000	160,000
		<u>1,526,013</u>	<u>644,874</u>
Prior Year Tax Adjustments		22,105	-
Profit after prior year adjustments		1,503,908	644,874
Balance Brought Forward From Previous Year		886,157	241,283
		<u>2,390,065</u>	<u>886,157</u>
Balance carried to schedule - 2			
Basic Earnings per share		1.54	0.66
Notes forming Part of Accounts	9		

As per our attached Report of even date
For A N Damania & Co.
Chartered Accountants

Ashvin N Damania
Proprietor
Membership No.40166
Firm Regn.No.102077W

For and on behalf of Board of Directors

T Rajkumar
Director

Pradip R Shroff
Director

Date : 3rd September 2010
Place : Mumbai

NEW HORIZON LEASING & FINANCE LIMITED

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

(Rs. in lacs)

A. CASH FLOW OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS		23.26
Adjustments for:		
Depreciation	-	
Reduction in Value of Investments	-	
Provisions for taxation / Fringe benefit tax	(8.00)	
Prior period expenses	(0.22)	(8.22)
	<u> </u>	<u> </u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		15.04
Adjustments for:		
Increase / Decrease in Sundry Debtors	(38.28)	
Increase in Loans and Advances	0.32	
Increase (Decrease) in Bank Deposits	-	
Increase (Decrease) in Current Liabilities	1,015.17	977.21
	<u> </u>	<u> </u>
Net Cash flow from operating activities		992.25
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	
Purchase of Investments / Stock in trade	(990.57)	
Cost of Investments sold	-	(990.57)
	<u> </u>	<u> </u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Increase in shareholders fund		-
		<u> </u>
NET INCREASE IN CASH AND EQUIVALENTS (A+B+C)		1.68
Opening Balance of Cash		0.32
Closing Balance of Cash		2.00

FOR NEW HORIZON LEASING & FINANCE LIMITED

Place : Mumbai
Date : 3rd September 2010

T Rajkumar
Director

We have examined the attached Cash Flow Statement of New Horizon Leasing & Finance Limited for the period ended 31st March 2010. The Statement has been prepared by the Company in accordance with requirements of Clause 32 of the Listing agreement with the Stock Exchange and is based on and derived from the Audited accounts of the Company for the period ended 31st March 2010.

For A.N. DAMANIA & CO

Place : Mumbai
Date : 3rd September 2010

Chartered Accountants
Ashvin N. Damania
Proprietor
Membership No. 40166

ANNUAL REPORT 2010

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	SCHEDULE	As at 31.03.2010 Rs	As at 31.03.2009 Rs
SCHEDULE - 1			
Share Capital			
Authorised Capital			
20,00,000 (20,00,000) Equity Shares of Rs. 10/- Each		20,000,000	20,000,000
		<u>20,000,000</u>	<u>20,000,000</u>
Issued & Subscribed Capital			
10,00,000 (10,00,000) Equity Shares of Rs. 10/- Each		10,000,000	10,000,000
Less : Allotment money in arrears (from other than directors)		204,500	204,500
		<u>9,795,500</u>	<u>9,795,500</u>
SCHEDULE - 2			
Reserves & Surplus			
Profit & Loss Account		2,390,065	886,157
		<u>2,390,065</u>	<u>886,157</u>
SCHEDULE - 3			
Investments (At Cost)			
(Non Trade, Long Term and Quoted)			
Nil (2,402) Equity Shares of Rs. 10/- each Fully Paid in Essar Steel Ltd.		-	14,186
(Non Trade, Long Term and Unquoted)			
Nil (1,570) Preference Shares of Rs. 10/- each Fully Paid in Essar Steel Ltd.		-	9,278
Nil (50,000) Equity Shares of Rs.10/- each Fully Paid in Prime Petro Products Ltd.		-	500,000
Nil (42,000) Equity Shares of Rs.10/- each Fully Paid in Citi Securities Pvt. Ltd.		-	420,000
60,00,000 (Nil) Equity Shares of Rs.10/- each Fully Paid in Sri Mahasakthi Mills Ltd.		60,000,000	-
40,00,000 (Nil) Equity Shares of Rs.10/- each Fully Paid in Sri Arumuga Cottspin Pvt. Ltd.		40,000,000	-
		<u>100,000,000</u>	<u>943,464</u>

NEW HORIZON LEASING & FINANCE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	SCHEDULE	As at 31.03.2010 Rs	As at 31.03.2009 Rs
SCHEDULE - 4			
Sundry Debtors			
(Unsecured, Considered Good)			
Debts Outstanding for more than six months		3,378,405	9,336,029
(The above includes due from companies under the same management Rs.33,78,405/- (Previous Year Rs.33,78,405/-)			
Other Debts		10,546,071	760,345
		<u>13,924,476</u>	<u>10,096,374</u>
(The above includes due from companies under the same management Rs.60,27,145/- (Previous Year Rs.Nil)			
SCHEDULE - 5			
Cash And Bank Balances			
Cash - in - hand		-	26,946
With Scheduled Bank in Current Account		200,166	5,410
		<u>200,166</u>	<u>32,356</u>
SCHEDULE - 6			
Loans And Advances			
(Unsecured, Considered Good)			
TDS / Advance Tax (Net of Provisions)		-	-
Advances Recoverable in cash or in kind for value to be received		594,459	626,369
		<u>594,459</u>	<u>626,369</u>
SCHEDULE - 7			
Current Liabilities & Provisions			
Sundry Creditors		101,966,826	976,166
Provision of Income Tax (Net off tax paid)		566,710	40,740
		<u>102,533,536</u>	<u>1,016,906</u>

**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31st MARCH, 2010**

PARTICULARS	SCHEDULE	As at	As at
		31.03.2010	31.03.2009
		Rs	Rs
SCHEDULE - 8			
Administrative Expenses			
Salary & Bonus		-	7,730
Profession tax		-	2,500
Audit Fees		20,000	11,100
Professional fees		84,943	13,984
Printing and Stationery		10,474	-
Postage		10,000	-
Filing Fees		6,500	3,500
Listing Fees		11,030	11,084
Bank charges		166	728
General Expenses		30,000	2,000
Advertisement Expenses		7,731	-
Misc. Expenditure		10,330	-
		<u>191,174</u>	<u>52,626</u>

As per our attached Report of even date

For A N Damania & Co.

Chartered Accountants

Ashvin N Damania

Proprietor

Membership No.40166

Firm Regn.No.102077W

Date : 3rd September 2010

Place : Mumbai

For and on behalf of Board of Directors

T Rajkumar

Director

Pradip R Shroff

Director

NEW HORIZON LEASING & FINANCE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE 9

1. Significant Accounting Policies:
 - a. The accounts have been prepared on the accrual basis of accounting, under historical cost convention and in accordance with the generally accepted accounting principles, Companies Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 and the provisions of Companies Act, 1956, except where otherwise stated.
 - b. Income :
 - i. Refunds from government department are accounted for on receipt basis.
 - ii. Sales/Purchase of shares are accounted based on Brokers Contract Note/Company's Debit Note.
 - iii. Commission income is accounted on the basis of Bills / Debit Notes raised.
 - iv. Sale of goods are recognized bases on the invoice raised.
 - c. Expenditure :

Revenue expenses are accounted on accrual basis.
 - d. Retirement Benefits:

Retirement benefits are accounted on actual payment basis.
 - g. Provision for Taxation:
 - i. Provision for current tax has been made in accordance with the Income Tax Act, 1961.
 - ii. Deferred Tax is recognized on timing differences being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period, at the current rate of tax.
 - h. Provisions and Contingent liabilities:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.
2. Contingent liabilities:

We have been informed that there are no contingent liabilities other than disputed Sales-Tax (Lease-Act) disclosed separately.

3. Earnings per share

Particulars	2009-10	2008-09
Net Profit/(Loss) for the year	15,03,908	6,44,874
Number of equity shares	9,79,550	9,79,550
Basic Earnings per share (F.V. Rs.10)	1.54	(0.66)

4. In the opinion of the Board of Directors, Current Assets, Loans and Advances have been stated at values likely to be realized in the ordinary course of business.
5. The Company does not possess information about the micro, small and medium enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes and accordingly no additional disclosure have been made.
6. The Company has not provided disputed Sales Tax (Lease Act) Liability of Rs.32.97 lakhs.
7. Debit/Credit balances are subject to confirmation.
8. RELATED PARTY DISCLOSURE

Related party disclosure as required by Accounting Standard No.18 is given below:

List of related parties and the transactions taken place during the year:

(Rs. lakhs)

i) Companies	Opening balance	Debit	Credit	Closing balance
Aarayaa Finstock Pvt. Ltd.	14.79	-	14.79	-
Budh Holding & Trading Co. Pvt. Ltd.	33.78	60.28	-	94.06
ii) Director Mr T Rajkumar	-	-	1000.00	1000.00
iii) Relatives of Key Management Personnel Mr Satyam Shroff	5.76	-	5.76	-

9. Additional Information pursuant to Schedule VI, Part II to the Companies Act, 1956, to the extent applicable.
Earnings in Foreign Exchange: NIL
Expenditure in Foreign Currency incurred during the year: NIL
Previous year's figures are regrouped/rearranged wherever found necessary.

As per our attached Report of even date

For A N Damania & Co.

Chartered Accountants

Ashvin N Damania

Proprietor

Membership No.40166

Firm Regn.No.102077W

Date : 3rd September 2010

Place : Mumbai

For and on behalf of Board of Directors

T Rajkumar

Director

Pradip R Shroff

Director

NEW HORIZON LEASING & FINANCE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration Number L99999TZ1984PLC015887 State Code 18
Balance Sheet Date 31.03.2010

II Capital Raised During the Year

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

III Position of Mobilisation and Deployment of Funds

(Amount in Thousands)

Total Liabilities	112185	Total Assets	112185
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Sources of Funds

Paid up Capital	9795	Reserves & Surplus	2390
Secured Loans	Nil	Un-secured Loans	Nil

Application of Funds

Net Fixed Assets	Nil	Investments	100000
Net Current Assets	12185	Deferred Tax Asset	567
Accumulated Losses	Nil		

IV Performance of the Company

Total Income	4636	Total Expenditure	2310
Profit Before Tax	2326	Profit / Loss After Tax	1503
Earnings per Share	1.50	Dividend	Nil

V Generic Names of Three Principal Products

Item Code No. : Not Applicable

Product Description : Miscellaneous Commercial Services

As per our attached Report of even date

For A N Damania & Co.

Chartered Accountants

Ashvin N Damania

Proprietor

Membership No.40166

Firm Regn.No.102077W

For and on behalf of Board of Directors

T Rajkumar

Director

Pradip R Shroff

Director

Date : 3rd September 2010

Place : Mumbai

**Statement pursuant to Section 212 of the Companies Act, 1956
relating to Subsidiary Companies**

1. Name of the Subsidiary	Sri Mahasakthi Mills Limited	Sri Arumuga Cottspin Private Limited
2. Financial year of the subsidiary ended on	31st March 2010	31st March 2010
3. Shares of the subsidiary held by the Company on the above date :		
a) Number and Face Value	60,00,000 Equity Shares of Rs.10 each, fully paid	40,00,000 Equity Shares of Rs.10 each, fully paid
b) Extent of holding	75%	57%
4. Net aggregate amount of Profits / (losses) of the subsidiary for the above financial year of the subsidiary, so far as they concern members of the Company :		
a) dealt with in the accounts of the Company for the year ended 31st March, 2010	Rs. Nil	Rs. Nil
b) not dealt with in the accounts of the Company for the year ended 31st March, 2010	Rs. 1,53,99,493	Rs. 1,54,61,071
5. Net aggregate amount of Profits / (losses) of previous financial years of subsidiary, since it became a subsidiary, so far as they concern members of the Company :		
a) dealt with in the accounts of the Company for the year ended 31st March, 2010	Rs. Nil	Rs. Nil
b) not dealt with in the accounts of the Company for the year ended 31st March, 2010	Rs. Nil	Rs. Nil

For and on behalf of Board of Directors

Date : 3rd September 2010

Pradip R Shroff **T Rajkumar**

Place : Mumbai

Director

Director

DIRECTORS' REPORT

Dear members,

Your Directors have great pleasure in presenting the Fourteenth Annual Report of the Company along with the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ending on that date.

Financial Results :

Particulars	Rs. Lakhs	
	2009-10	2008-09
Total Income	3333.84	2602.19
Total Expenditure	2870.95	2230.39
Operating Profit	462.89	371.80
Less : Interest	205.08	174.33
Profit Before Depreciation	257.81	197.47
Less : Depreciation	103.82	95.16
Net Profit for the Year	153.99	102.31

Review of the Operations

Your Company has secured good customer base over the weaving centres based out of Tamilnadu, Maharashtra etc. Your Directors are glad to report a net profit of around Rs.154 lakhs for the year.

Your Directors wish to further modernise the mills through automation and are planning for the same. Your Directors also plan to approach banks for financing of the proposed modernisation.

Your Company has become a Subsidiary Company of New Horizon Leasing & Finance Limited under section 4(1)(b)(ii) of the Companies Act, 1956.

Your Directors are hopeful of reporting better profits for the current year in view of the improved demand in market conditions prevailing for the last six months.

Dividend

Since your Directors wish to strengthen the working capital base of the Company, no dividend is recommended for the year under review.

Statutory Information

The Company has not accepted any Fixed Deposit during the year.

There is no employee drawing remuneration exceeding the limits specified under section 217(2A) of the Companies Act, 1956.

The particulars as required under section 217(1)(e) of the Companies Act, 1956 are annexed.

Directors' Responsibility Statement

In compliance of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

1. All applicable Accounting Standards have been followed in the preparation of the annual accounts and that there are no material departure;
2. Such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and of the Profit of the Company for the year ended on that date;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.

Retirement of Director

Sri K Dhanakumar, Director of the Company retires by rotation and being eligible, seeks reappointment.

Appointment of Auditor

Sri R Rajasekar, B.Com. FCA, the retiring auditor, being eligible for reappointment, offers himself for reappointment.

Reply to Auditor's qualification

Your Company is in process of finding a suitable candidate for appointment as full time Company Secretary.

Acknowledgement

Your Directors acknowledge with gratitude the co-operation received from the State Bank of Bikaner and Jaipur, Customers and Suppliers. Your Directors also wish to thank the members for their support and place on record their appreciation for the contribution made by the employees at all levels.

By Order of the Board

Place : Coimbatore
Date : 17.05.2010

T Rajkumar
Director

ANNEXURE TO DIRECTORS' REPORT

Particulars required under Section 217(1)(e) of the Companies Act, 1956

Conservation of Energy

Conservation of energy continues to receive increased emphasis. Our technicians for identifying the opportunities for saving energy periodically review the ongoing processes.

Research & Development

The mill is a member of the South India Textile Research Association. The Association conducts wide range of researches applicable to textile industry.

Technology Absorption

Wherever applicable, the mill adopts advices of the South India Textile Research Association. Also, in order to gain updated knowledge, the technicians of the mill are frequently interacting with those belong to our sister concerns and other groups of mills.

Form A

Conservation of Energy

A. Power and Fuel Consumption	31.03.2010	31.03.2009
1. Electricity		
a) Purchased		
Units	4390897	3780576
Amount – Rs	22437462	19230824
Rate per Unit – Rs	5.11	5.08
2. Own Generation		
a) Through Diesel Generator		
Amount	4097063	1136668
Units per litre of Diesel Oil	3.12	3.45
Cost per Unit – Rs	9.73	9.51
3. Other Fuels	Not Used	Not Used
B. Consumption per Kg of yarn:		
(Production considered at actual counts)		
Electricity (KWH)	2.54	3.02

**AUDITORS' REPORT
TO THE MEMBERS OF
SRI MAHASAKTHI MILLS LIMITED**

Ladies and Gentlemen,

1. We report that we have audited the Balance Sheet of SRI MAHASAKTHI MILLS LIMITED as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts, disclosures in the financial statements, assessing the accounting principles used, significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in 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 in Paragraph 1 & 2 above, we state that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our Audit.
 - b) In our opinion, proper books of account as required by law have been kept so far as appears from our examination of those books.
 - c) The Balance Sheet and Profit & Loss Account referred to in this Report are in agreement with the Books of Account.
 - d) In our opinion the Profit & Loss Account and Balance Sheet read together with the notes thereon comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

SRI MAHASAKTHI MILLS LIMITED

- e) On the basis of written representation received from all the Directors as of 31st March, 2010 and taken on record by the Board of Directors, We report that none of the Directors are disqualified as of 31st March, 2010 from being appointed as Directors in terms of Section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, the said Balance Sheet and Profit & Loss Account read together with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
- (i) in the case of the Balance Sheet, of the STATE OF AFFAIRS as at 31st March, 2010
- and
- (ii) in the case of the Profit & Loss Account, of the PROFIT for the period ended on that date
- (iii) *The company has not appointed a full time Company Secretary*

Place : Coimbatore
Date : 17.05.2010

R Rajasekar
Chartered Accountant
M.No. 028404

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE REPORT
OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF
SRI MAHASAKTHI MILLS LIMITED**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of fixed assets.
- (ii) (a) The Stock in trade (including raw material) and stores, spare parts of the Company at all its locations have been physically verified by the Management during the year.
- (b) In our opinion, the procedures for physical verification of stock 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 inventory. The discrepancies noticed on verification between the physical stock and book records were not material.
- (iii) In our opinion, the internal control procedures of the Company relating to purchases of stores, raw materials including components, plant & machinery, equipments and other similar assets and for sale of goods & services are commensurate with its size and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.
- (iv) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into 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 in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevalent market prices at the relevant time.

SRI MAHASAKTHI MILLS LIMITED

- (v) The Company has not accepted deposits from public and hence the provisions of Sections 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.
- (vi) In our opinion, the Company's internal audit system is commensurate with its size and nature of its business.
- (vii) The provisions of the Companies Act for maintenance of Cost Records under Section 209(1)(d) are not applicable to the Company.
- (viii) (a) The Company is regular in depositing with the appropriate authorities the undisputed statutory dues relating to income tax, sales tax, service tax, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us and the records of the company examined by us there are no dues of income tax, excise duty, cess and service tax which have not been deposited on account of any dispute.
- (ix) The Company has not incurred cash losses during the financial year covered by our audit.
- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xi) The Company has not granted loans and advances on the basis of security of pledge of shares, debentures and other securities.
- (xii) The provisions of any special statute applicable to a chit fund / nidhi / mutual benefit fund / society are not applicable to the Company.
- (xiii) The Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xiv) The Company has not given guarantees for loans taken by others from bank or financial institutions.

- (xv) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvi) According to the cash flow statement and other records examined by us and the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xvii) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any debentures.
- (xviii) According to the information and explanations given to us, the Company has not raised funds by public issues during the year covered by our audit report.
- (xix) According to the information and explanations given to us and on the basis of our examination of books & records of the Company in accordance with the generally accepted auditing practices, no fraud on or by the Company has been noticed or reported during the year.

Place : Coimbatore

Date : 17.05.2010

R Rajasekar
Chartered Accountant
M.No. 028404

SRI MAHASAKTHI MILLS LIMITED

BALANCE SHEET AS ON 31st MARCH 2010

PARTICULARS	SCHEDULE	As at 31.03.2010 Rs	As at 31.03.2009 Rs
SOURCES OF FUNDS			
Share Capital	1	87,492,200	87,492,200
Reserves & Surplus	2	66,224,317	56,124,754
Secured Loans	3	99,014,831	107,272,053
Unsecured Loans		11,438,302	156,256
Deferred Taxation		10,710,212	7,826,234
TOTAL - A		<u>274,879,862</u>	<u>258,871,497</u>
APPLICATION OF FUNDS			
Fixed Assets			
Fixed Assets	5	207,715,485	193,304,961
Less : Depreciation		60,193,166	49,811,255
		<u>147,522,319</u>	<u>143,493,706</u>
Current Assets, Loans & Advances			
Current Assets			
Closing Stock	6	122,797,307	94,756,181
Sundry Debtors		41,527,640	23,550,309
Cash & Bank Balances		16,305,214	13,430,207
Loans & Advances		15,829,433	40,691,408
		<u>196,459,594</u>	<u>172,428,105</u>
Less : Current Liabilities & Provisions	4	69,102,051	57,050,314
Net Current Assets		<u>127,357,543</u>	<u>115,377,791</u>
TOTAL - B		<u>274,879,862</u>	<u>258,871,497</u>

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 17.05.2010

K Dhanakumar
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

PARTICULARS	SCHEDULE	As at 31.03.2010 Rs	As at 31.03.2009 Rs
INCOME			
Sales	7	340,728,630	245,471,360
Increase / decrease in stock-in-trade	8	(7,975,548)	14,723,677
Other Income		631,280	24,387
TOTAL		333,384,362	260,219,424
EXPENDITURE			
Raw Material Consumption	9	227,090,902	176,579,005
Wages & Salaries	10	17,314,458	13,417,987
Repairs & Maintenance	11	1,649,851	1,571,896
Other Manufacturing Expenses	12	33,351,834	25,287,239
Interest & Financial Charges	13	20,507,782	17,433,505
Administrative Expenses	14	4,430,656	3,378,903
Marketing Expenses	15	2,897,475	2,442,880
Directors Remuneration		360,000	360,000
Depreciation	5	10,381,911	9,516,820
TOTAL		317,984,869	249,988,235
Net Profit For The Year		15,399,493	10,231,189
Prior Year Income (+) / Expenditure (-)	16	(43,442)	(12,445)
Provision For Income tax		(2,372,510)	(696,057)
Deferred Tax		(2,883,978)	(1,718,375)
Profit transferred to Balance Sheet		10,099,563	7,804,312

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 17.05.2010

K Dhanakumar
Director

SRI MAHASAKTHI MILLS LIMITED

SCHEDULES TO BALANCE SHEET AS ON 31st MARCH 2010

PARTICULARS	As at 31.03.2010 Rs	As at 31.03.2009 Rs
SCHEDULE - 1 SHARE CAPITAL		
Authorised Capital		
90,00,000 Equity Shares of Rs.10/- each	90,000,000	90,000,000
1,00,000 Preference Shares of Rs.100/- each	10,000,000	10,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paid-up		
80,00,000 Equity Shares of Rs.10/- each	80,000,000	80,000,000
74,922 Preference Shares of Rs.100/- each	7,492,200	7,492,200
	<u>87,492,200</u>	<u>87,492,200</u>
SCHEDULE - 2 RESERVES AND SURPLUS		
Capital Subsidy	1,500,000	1,500,000
Profit & Loss Account	64,724,317	54,624,754
	<u>66,224,317</u>	<u>56,124,754</u>
SCHEDULE - 3 SECURED LOANS		
Term Loans with SBBJ	48,935,238	59,549,805
Cash Credit with SBBJ	50,079,593	47,722,248
	<u>99,014,831</u>	<u>107,272,053</u>
SCHEDULE - 4 CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	58,963,134	52,422,503
Liabilities for Expenses	4,240,803	1,226,520
Liabilities for Other Finances	372,833	248,520
Provisions	5,525,281	3,152,771
	<u>69,102,051</u>	<u>57,050,314</u>

SCHEDULE : 5 FIXED ASSETS SCHEDULE FOR THE YEAR ENDED MARCH 2009

Particulars	Gross Block				Depreciation			Net Block	
	As on 01.04.2009	Additions	Sales	As on 31.03.2010	Upto 01.04.2009	For the Period	Upto 31.03.2010	W.D.V. as on 31.03.2010	W.D.V. as on 1.04.2009
	Land	3,463,243	-	-	3,463,243	-	-	-	3,463,243
Buildings	24,340,593	-	-	24,340,593	6,107,675	812,976	6,920,651	17,419,942	18,232,918
Plant & Machinery	140,170,965	13,824,917	-	153,995,882	37,087,257	8,130,983	45,218,240	108,777,642	103,083,708
Electrical Fittings	23,953,100	-	-	23,953,100	6,416,352	1,264,724	7,681,076	16,272,024	17,536,748
Vehicles	1,045,210	585,607	-	1,630,817	99,295	154,928	254,223	1,376,594	945,915
Furniture & Fixtures	128,378	-	-	128,378	28,229	8,126	36,355	92,023	100,149
Office Equipments	203,473	-	-	203,473	72,447	10,174	82,621	120,852	131,026
Total	193,304,961	14,410,524	-	207,715,485	49,811,255	10,381,911	60,193,166	147,522,319	143,493,706

SRI MAHASAKTHI MILLS LIMITED

SCHEDULES TO BALANCE SHEET AS ON 31st MARCH 2010

PARTICULARS	As at 31.03.2010 Rs	As at 31.03.2009 Rs
SCHEDULE - 6 CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
Stock-in-Trade		
- Cotton 70,971,600		
- Work-in-process	8,219,325	
- Yarn	42,233,100	
- Waste	683,740	
- Stores 689,542	<u>122,797,307</u>	94,756,181
Sundry Debtors		
- Outstanding for more than six months	—	
- Others 41,527,640	<u>41,527,640</u>	23,550,309
Cash in hand and with banks	427,382	317,355
DEPOSITS		
- Electricity Board	688,052	
- Telephone Department	7,650	
- Salestax	10,000	
- Deposit with Banks	<u>15,172,130</u>	13,112,852
LOANS & ADVANCES		
- Staff and Labour Advances	433,115	
- Advance for Purchase & Others	14,843,854	
- Rent Advances	31,000	
- Other Advances	193,824	
- Pre-paid Expenses	<u>327,640</u>	40,691,408
	<u>15,829,433</u>	
	<u>196,459,594</u>	<u>172,428,105</u>

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

PARTICULARS	As at 31.03.2010 Rs	As at 31.03.2009 Rs
SCHEDULE - 7 SALES		
Yarn Sales	337,389,770	242,943,005
Waste Sales	3,338,860	2,528,355
	<u>340,728,630</u>	<u>245,471,360</u>
SCHEDULE - 8 INCREASE / DECREASE IN STOCKS		
Closing Stock		
- Yarn	42,233,100	48,792,000
- Work-in-process	8,219,325	9,724,000
- Waste	<u>683,740</u>	595,713
Less : Opening Stock		
- Yarn	48,792,000	
- Work-in-process	9,724,000	
- Waste	<u>595,713</u>	44,388,036
	<u>(7,975,548)</u>	<u>14,723,677</u>
SCHEDULE - 9 RAW MATERIAL CONSUMPTION		
Opening Stock	35,029,500	21,678,573
Add : Purchases less Returns	262,814,610	189,618,392
Add : Purchase & Cleaning Expenses	218,392	311,540
Less : Closing Stock	<u>70,971,600</u>	35,029,500
	<u>227,090,902</u>	<u>176,579,005</u>
SCHEDULE - 10 WAGES AND SALARIES		
Salaries and Wages	15,424,728	11,877,607
Training Expenses	638,649	488,396
Staff & Labour Welfare	<u>1,251,081</u>	1,051,984
	<u>17,314,458</u>	<u>13,417,987</u>

SRI MAHASAKTHI MILLS LIMITED

**SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31st MARCH 2010**

PARTICULARS	As at 31.03.2010 Rs	As at 31.03.2009 Rs
SCHEDULE - 11 REPAIRS & MAINTENANCE		
Building Maintenance	636,155	515,977
Machinery Maintenance	571,114	659,369
Electricals Maintenance	395,646	384,075
Office Maintenance	46,936	12,475
	<u>1,649,851</u>	<u>1,571,896</u>
SCHEDULE - 12 OTHER MANUFACTURING EXPENSES		
Power and Fuel	26,534,525	20,367,492
Stores and Consumables		
- Opening Stock	614,968	
- Add : Purchases	6,635,143	
- Add : Freight Inwards	256,740	
- Less: Closing Stock	689,542	
	<u>6,817,309</u>	<u>4,919,747</u>
	<u>33,351,834</u>	<u>25,287,239</u>
SCHEDULE - 13 INTEREST AND FINANCIAL CHARGES		
Interest and Bank Charges	19,683,591	15,893,433
Other Financial Charges	824,191	1,540,072
	<u>20,507,782</u>	<u>17,433,505</u>
SCHEDULE - 14 ADMINISTRATIVE EXPENSES		
Auditor Fees	45,000	65,000
Rent & Rates	118,945	117,911
Security charges	350,910	342,823
Insurance Charges & Subscription	482,149	362,478
Licenses & Taxes	501,228	193,270
Legal & Professional Charges	67,450	63,450
Electricity Charges-Office	36,415	32,435
Postage, Telegrams & Telephones	290,165	214,555
Printing & Stationery	257,249	281,007
Travelling Expenses	1,167,594	1,022,860
Vehicle Maintenance	495,256	364,664
Hank Yarn Premium	311,230	147,183
Donation	111,076	50,369
General Expenses	195,989	120,898
	<u>4,430,656</u>	<u>3,378,903</u>

SCHEDULES TO BALANCE SHEET AS ON 31st MARCH 2010

PARTICULARS	As at 31.03.2010 Rs	As at 31.03.2009 Rs
SCHEDULE - 15 MARKETING EXPENSES		
Freight Outwards	157,820	101,195
Commission	1,190,985	
Consignment Sales Expenses	1,548,670	2,341,685
	<u>2,897,475</u>	<u>2,442,880</u>
SCHEDULE - 16 PRIOR YEAR INCOME & EXPENDITURE		
Income	-	-
Less : Expenditure		
- Prior Year Expenses	43,442	12,445
	<u>(43,442)</u>	<u>(12,445)</u>

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 17.05.2010

K Dhanakumar
Director

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2010**

I. Significant Accounting Policies

a) General

The financial statements are prepared on historical cost basis and as per the fundamental accounting assumptions viz., going concern, consistency and accrual.

b) Fixed Assets

Fixed Assets have been stated at historical cost of acquisition, installation and commissioning less accumulated depreciation and modvat benefits on capital goods. Depreciation is charged on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

c) Inventories

Raw materials are valued at cost. Work in progress and finished goods are valued at selling price or net realizable value whichever is lower. Stores and spares are valued at cost.

II. Notes on Accounts

1. Installed Capacity	31.03.2010	31.03.2009
a) Installed Capacity in Spindles	19320	19320
b) There is no foreign currency transaction during the year.		
c) There are no outstandings to small scale industrial undertakings for more than 30 days		
d) Expenditure in foreign currency – Nil (Previous year – Nil)		
e) Income in foreign currency – Nil (Previous year – Nil)		
2. Quantitative Particulars	31.03.2010	31.03.2009
A) Raw Materials (kgs) Cotton		
i) Opening Stock	538,915	285,244
ii) Purchase during the year	4,168,804	3,160,306
iii) Consumption	3,712,381	2,906,635
iv) Sales	-	-
v) Closing Stock	995,338	538,915
B) Production & Sales – Kgs Yarn		
i) Opening Stock	436,560	281,695
ii) Production	2,486,597	2,014,515
iii) Sales	2,543,785	1,859,650
iv) Closing Stock	379,372	436,560

Waste

i) Opening Stock	57,470	59,588
ii) Production	279,967	164,322
iii) Sales	284,513	166,440
iv) Closing Stock	52,924	57,470

3. The Company has obtained Term Loan from State Bank of Bikaner And Jaipur for Rs.831 Lakhs (Outstanding as on 31.3.2010 is Rs.489 Lakhs) and also obtained Cash Credit facility for Rs.500 Lakhs (Outstanding as on 31.3.2010 is Rs.500 Lakhs) by hypothecation of machinery, land, buildings along with personal guarantee by the directors.
4. Taking into consideration in time gap due to claiming depreciation, deferred taxation for Rs.28,83,978/-(Previous Year Rs.17,18,375/-) has been claimed in the books.
5. Sundry Debtors are considered good and unsecured consisting of the following.
 1. Sundry Debtors includes debts from the same management within the meaning of Section 379(IB) of the Companies Act, 1956 is Nil (Previous Year = Nil)
 2. Debts outstanding for more than 6 months is Nil (Previous Year=Nil)
6. Amounts due from officers of the company under staff advance is Rs.4,33,115/- (Previous Year = Rs.1,83,580/-)
7. There is no claim against the company not acknowledged as debt.
8. Auditor remuneration Rs.45,000/- per annum. (Last year–Rs.35,000/-)
9. Commission paid to New Horizon Leasing & Finance Limited is Rs.738450/ - (Previous Year - Nil) TDS deducted is Rs.73845/-(Previous Year - Nil)
10. In my opinion the Balance Sheet, Profit and Loss Account referred in my report comply with accounting standards referred in Section 211 of the Companies Act, 1956.
11. Previous year figures have been re-grouped wherever necessary.

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 17.05.2010

K Dhanakumar
Director

SRI MAHASAKTHI MILLS LIMITED

**BALANCE SHEET ABSTRACT AND COMPANY'S
GENERAL BUSINESS PROFILE**

I Registration Details

Registration Number	16570	State Code	9
Balance Sheet Date	31.03.2010		

II Capital Raised During the Year

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

**III Position of Mobilisation and Deployment of Funds
(Amount in Thousands)**

Total Liabilities	274,880	Total Assets	274,880
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Sources of Funds

Paid up Capital & Application Money	87,492	Reserves & Surplus	66,224
Secured Loans	99,015	Un-secured Loans	11,438

Application of Funds

Net Fixed Assets	147,522	Investments	Nil
Net Current Assets	127,835	Misc. Expenditure	Nil

IV Performance of the Company

Total Income	333,384	Total Expenditure	317,985
Profit Before Tax	15,399	Profit After Tax	10,100
Earnings per Share	1.26	Dividend Rate %	-

V Generic Names of Three Principal Products

Item Code No.(ITC Code)	5205.11	Product Description	Cotton Yarn
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SRI ARUMUGA COTTSPIN PRIVATE LIMITED

DIRECTORS' REPORT

Dear members,

Your Directors have great pleasure in presenting the Sixth Annual Report of the Company along with the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ending on that date.

Financial Results :

(Rs. Lakhs)

Particulars	2009-10	2008-09
Total Income	2493.17	1980.83
Total Expenditure	2157.35	1770.04
Operating Profit	335.82	210.79
Less : Interest	135.89	111.67
Profit Before Depreciation	199.93	99.12
Less : Depreciation	45.32	29.16
Net Profit for the Year	154.61	69.96

Review of the Operations

Your Company has commanded good customer base over the weaving centres based out of Tamilnadu, Maharashtra and Westbengal. Your Directors are glad to report net profit of around Rs.155 lakhs for the year.

Your Directors wish to further modernise the mills by installing more autoconer machinery and have initiated the process by placing order for the same. Your Directors have approached banks for financing the modernisation program and are hopeful of getting the same in time.

Your Company has become a Subsidiary Company of New Horizon Leasing & Finance Limited under Section 4(1)(b)(ii) of the Companies Act 1956.

Your Directors are hopeful of reporting better profits for the current year in view of the improved demand in market conditions prevailing for the last six months.

Dividend

Since your Directors wish to strengthen the working capital base of the Company, no dividend is recommended for the year under review.

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

Statutory Information

The Company has not accepted any Fixed Deposit during the year.

There is no employee drawing remuneration exceeding the limits specified under section 217(2A) of the Companies Act, 1956.

The particulars as required under section 217(1)(e) of the Companies Act, 1956 are annexed.

Directors' Responsibility Statement

In compliance of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

1. All applicable Accounting Standards have been followed in the preparation of the annual accounts and that there are no material departure;
2. Such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and of the Profit of the Company for the year ended on that date;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.

Retirement of Director

Sri T Rajkumar, Director retires by rotation at the ensuing Annual General Meeting of the Company and offers himself for reappointment.

Appointment of Auditor

Sri R Rajasekar, B.Com. FCA, the retiring auditor, being eligible for re-appointment offers himself for re-appointment

Reply to Auditor's qualification

Your company is in process of finding a suitable candidate for appointment as full time Company Secretary

Acknowledgement

Your Directors acknowledge with gratitude the co-operation received from the Indian Overseas Bank, Customers and Suppliers. Your Directors also wish to thank the members for their support and place on record their appreciation for the contribution made by the employees at all levels.

Place : Coimbatore

Date : 14.05.2010

By Order of the Board

T Rajkumar

Director

ANNEXURE TO DIRECTORS' REPORT
Particulars required under Section 217(1)(e)

Conservation of Energy

Conservation of energy continues to receive increased emphasis. Our technicians for identifying the opportunities for saving energy periodically review the ongoing processes.

Research & Development

The mill is a member of the South India Textile Research Association. The Association conducts wide range of researches applicable to textile industry.

Technology Absorption

Wherever applicable, the mill adopts advices of the South India Textile Research Association. Also, in order to gain updated knowledge, the technicians of the mill are frequently interacting with those belong to our sister concerns and other groups of mills.

Form A
Conservation of Energy

A. Power and Fuel Consumption	31.03.2010	31.03.2009
1. Electricity		
a) Purchased		
Units	6581284	4225764
Amount - Rs	30734600	21720956
Rate per Unit - Rs	4.67	4.50
2. Own Generation		
a) Through Diesel Generator		
Amount	2132781	469529
Units per litre of Diesel Oil	3.04	3.05
Cost per Unit - Rs	12.11	11.70
3. Other Fuels	Not Used	Not Used
B. Consumption per Kg of yarn:		
(Production considered at actual counts)		
Electricity (KWH)	2.72	1.32

**AUDITORS' REPORT
TO THE MEMBERS OF
SRI ARUMUGA COTTSPIN PRIVATE LIMITED**

Ladies and Gentlemen,

1. We report that we have audited the Balance Sheet of SRI ARUMUGA COTTSPIN PRIVATE LIMITED as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts, disclosures in the financial statements, assessing the accounting principles used, significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in 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 in Paragraph 1 & 2 above, we state that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our Audit.
 - b) In our opinion, proper books of account as required by law have been kept so far as appears from our examination of those books.
 - c) The Balance Sheet and Profit & Loss Account referred to in this Report are in agreement with the Books of Account.
 - d) In our opinion the Profit & Loss Account and Balance Sheet read together with the notes thereon comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

- e) On the basis of written representation received from all the Directors as of 31st March, 2010 and taken on record by the Board of Directors, We report that none of the Directors are disqualified as of 31st March, 2010 from being appointed as Directors in terms of Section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, the said Balance Sheet and Profit & Loss Account read together with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
- (i) in the case of the Balance Sheet, of the STATE OF AFFAIRS as at 31stMarch, 2010
- and
- (ii) in the case of the Profit & Loss Account, of the PROFIT for the period ended on that date
- (iii) *The company has not appointed a full time Company Secretary*

Place : Coimbatore
Date : 14.05.2010

R Rajasekar
Chartered Accountant
M.No.028404

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE REPORT
OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF
SRI ARUMUGA COTTSPIN PRIVATE LIMITED**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of fixed assets.
- (ii) (a) The Stock in trade (including raw material) and stores, spare parts of the Company at all its locations have been physically verified by the Management during the year.
- (b) In our opinion, the procedures for physical verification of stock 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 inventory. The discrepancies noticed on verification between the physical stock and book records were not material.
- (iii) In our opinion, the internal control procedures of the Company relating to purchases of stores, raw materials including components, plant & machinery, equipments and other similar assets and for sale of goods & services are commensurate with its size and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.
- (iv) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into 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 in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevalent market prices at the relevant time.

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

- (v) The Company has not accepted deposits from public and the provisions of Sections 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.
- (vi) In our opinion, the Company's internal audit system is commensurate with its size and nature of its business.
- (vii) The provisions of the Companies Act for maintenance of Cost Records under Section 209(1)(d) are not applicable to the Company.
- (viii) (a) The Company is regular in depositing with the appropriate authorities the undisputed statutory dues relating to income tax, sales tax, service tax, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us and the records of the Company examined by us there are no dues of income tax, excise duty, cess and service tax which have not been deposited on account of any dispute.
- (ix) The Company has not incurred cash losses during the financial year covered by our audit.
- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xi) The Company has not granted loans and advances on the basis of security of pledge of shares, debentures and other securities.
- (xii) The provisions of any special statute applicable to a chit fund / nidhi / mutual benefit fund / society are not applicable to the Company.
- (xiii) The Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xiv) The Company has not given guarantees for loans taken by others from bank or financial institutions.

- (xv) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvi) According to the cash flow statement and other records examined by us and the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xvii) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any debentures.
- (xviii) According to the information and explanations given to us, the Company has not raised funds by public issues during the year covered by our audit report.
- (xix) According to the information and explanations given to us and on the basis of our examination of books & records of the Company in accordance with the generally accepted auditing practices, no fraud on or by the company has been noticed or reported during the year.

Place : Coimbatore
Date : 14.05.2010

R Rajasekar
Chartered Accountant
M.No.028404

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	SCHEDULE	AS AT	
		31.03.2010 Rs	31.03.2009 Rs
SOURCES OF FUNDS			
1. Share Capital	1	70,000,000	70,000,000
2. Share Application Money		30,000,000	-
3. Reserves & Surplus	2	19,444,049	10,188,179
4. Secured Loans	3	70,359,608	75,806,114
5. Deferred Taxation		3,890,612	157,320
TOTAL - A		193,694,269	156,151,613
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	122,749,117	113,357,273
Less : Depreciation		13,729,845	9,197,890
		109,019,272	104,159,383
Current Assets, Loans & Advances			
A. Current Assets			
1. Closing Stock		76,111,538	71,058,000
2. Sundry Debtors		47,444,755	22,489,805
3. Cash & Bank Balances		671,030	146,942
4. Loans & Advances		19,815,895	7,607,971
		144,043,218	101,302,718
LESS : Current Liabilities & Provisions	4	59,368,221	49,310,488
Net Current Assets		84,674,997	51,992,230
TOTAL - B		193,694,269	156,151,613

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 14.05.2010

K Dhanakumar
Director

ANNUAL REPORT 2010

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

PARTICULARS	SCHEDULE	AS AT	
		31.03.2010 Rs	31.03.2009 Rs
INCOME			
Sales	7	267,807,940	148,440,560
Increase / Decrease In Stock-in-trade	8	(19,222,703)	49,620,775
Other Income		732,168	21,353
TOTAL		249,317,405	198,082,688
EXPENDITURE			
Raw Material Consumption	9	160,557,457	131,159,616
Wages & Salaries	10	12,487,709	10,252,628
Repairs & Maintenance	11	1,960,204	1,782,999
Other Manufacturing Expenses	12	36,764,704	31,496,906
Interest & Financial Charges	13	13,588,877	11,166,785
Administrative Expenses	14	2,501,823	1,802,636
Marketing Expenses	15	1,463,605	507,743
Depreciation	5	4,531,955	2,916,512
TOTAL		233,856,334	191,085,825
Nett Profit (+) / Loss (-) For The Year		15,461,071	6,996,863
Brought Forward From Previous Year		10,188,179	5,278,141
Prior Year Income (+) / Expenditure (-)	16	(98,372)	(45,353)
Deferred Tax (asset) / Reserve		(3,733,292)	1,283,588
Provision For Incometax		(2,373,537)	757,884
Profit (+) / Loss (-) Transferred To Balance Sheet		19,444,049	10,188,179

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 14.05.2010

K Dhanakumar
Director

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2010

PARTICULARS	AS AT	
	31.03.2010 Rs	31.03.2009 Rs
SCHEDULE - 1 SHARE CAPITAL		
Authorised Capital		
100,00,000 Equity Shares of Rs.10/- each (Previous Year 80,00,000 of Rs.10/- each)	100,000,000	80,000,000
	<u>100,000,000</u>	<u>80,000,000</u>
Issued, Subscribed and Paid-up		
70,00,000 Equity Shares of Rs.10/- each	70,000,000	70,000,000
Share Application Money	30,000,000	—
	<u>100,000,000</u>	<u>70,000,000</u>
SCHEDULE - 2 RESERVES AND SURPLUS		
Profit & Loss Account	19,444,049	10,188,179
	<u>19,444,049</u>	<u>10,188,179</u>
SCHEDULE - 3 SECURED LOANS		
Term Loans with IOB	35,033,052	40,422,789
Cash Credit with IOB	35,326,556	35,383,325
	<u>70,359,608</u>	<u>75,806,114</u>
SCHEDULE - 4 CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	52,081,372	36,661,066
Liabilities for Expenses	3,086,540	1,588,101
Current Account with Directors	576,552	9,811,101
Provisions	3,623,757	1,250,220
	<u>59,368,221</u>	<u>49,310,488</u>

SCHEDULE – 5 FIXED ASSETS SCHEDULE FOR THE YEAR ENDED MARCH 2010

Particulars	(Rupees)									
	As on 01.04.2009	Gross Additions	Block Sales / Transfer	As on 31.03.2010	Upto 01.04.2009	Depreciation For the year	Upto 31.03.2010	Net W.D.V. as on 31.03.2010	Block W.D.V. as on 1.04.2009	
Land	1,237,500	-	-	1,237,500	-	-	-	1,237,500	1,237,500	
Buildings	12,932,497	-	-	12,932,497	1,025,668	431,945	1,457,613	11,474,884	11,906,829	
Plant & Machinery	48,263,616	32,569,338	-	80,832,954	8,110,182	4,072,343	12,182,525	68,650,429	40,153,434	
Furniture & Fixtures	147,698	-	-	147,698	22,581	9,349	31,930	115,768	125,117	
Computers	113,000	-	-	113,000	39,459	18,317	57,776	55,224	73,541	
Work in Progress	50,662,962	-	23,177,494	27,485,468	-	-	-	27,485,468	50,662,962	
Total	113,357,273	32,569,338	23,177,494	122,749,117	9,197,890	4,531,955	13,729,845	109,019,272	104,159,383	
Figures: Previous Year	58,422,181	54,935,092	-	113,357,273	6,281,378	2,916,512	9,197,890	104,159,383	52,140,803	

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2010

PARTICULARS	AS AT	
	31.03.2010 Rs	31.03.2009 Rs
SCHEDULE - 6		
CURRENT ASSETS		
Stock-in-Trade		
Cotton	29,120,533	4,913,210
Work-in-process	11,739,508	16,178,980
Yarn	33,740,407	48,610,640
Waste	548,720	461,718
Stores	962,370	893,452
	76,111,538	
Sundry Debtors		
Outstanding for more than 6 months	-	
Others	47,444,755	22,489,805
	47,444,755	
Cash in hand and with banks		
Cash in hand	638,560	
Cash with banks	32,470	146,942
	671,030	
DEPOSITS		
Electricity Board	1,343,108	
Telephone Department	5,000	
Salestax	5,000	
Deposit with Banks	11,250,548	7,221,518
	12,603,656	
LOANS & ADVANCES		
Staff and Labour Advances	442,725	
Advance For Purchases	6,769,514	386,453
	7,212,239	
	144,043,218	101,302,718

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2010**

PARTICULARS	AS AT	
	31.03.2010 Rs	31.03.2009 Rs
SCHEDULE - 7 SALES		
Yarn Sales	265,169,410	146,960,920
Waste Sales	2,638,530	1,479,640
	267,807,940	148,440,560
SCHEDULE - 8 INCREASE / DECREASE IN STOCKS		
Closing Stock		
Yarn	33,740,407	48,610,640
Work-in-process	11,739,508	16,178,980
Waste	548,720	461,718
	46,028,635	65,251,338
Less : Opening Stock		
Yarn	48,610,640	15,630,563
Work-in-process	16,178,980	49,620,775
Waste	461,718	
	(19,222,703)	49,620,775
SCHEDULE - 9 RAW MATERIAL CONSUMPTION		
Opening Stock	4,913,210	6,847,394
Add : Purchases less Returns	184,515,860	129,107,569
Add : Purchase & Cleaning Expenses	248,920	117,863
Less : Closing Stock	29,120,533	4,913,210
	160,557,457	131,159,616
SCHEDULE - 10 WAGES AND SALARIES		
Salaries and Wages	11,114,061	9,127,582
Training Expenses	575,683	472,831
Staff & Labour Welfare	797,965	652,215
	12,487,709	10,252,628

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2010**

PARTICULARS	AS AT	
	31.03.2010 Rs	31.03.2009 Rs
SCHEDULE - 11 REPAIRS & MAINTENANCE		
Building Maintenance	261,452	127,853
Machinery Maintenance	1,246,772	1,242,658
Electricals Maintenance	379,450	346,746
Office Maintenance	72,530	65,742
	<u>1,960,204</u>	<u>1,782,999</u>
SCHEDULE - 12 OTHER MANUFACTURING EXPENSES		
Power and Fuel	32,867,381	27,108,994
Doubling & Reeling Charges	-	1,374,381
Stores and Consumables		
Opening Stock	893,452	
Add : Purchases	3,879,501	
Add : Freight Inwards	86,740	
Less: Closing Stock	<u>962,370</u>	
	<u>3,897,323</u>	<u>3,013,531</u>
	<u>36,764,704</u>	<u>31,496,906</u>
SCHEDULE - 13 INTEREST AND FINANCIAL CHARGES		
Interest and Bank Charges	13,291,158	11,029,333
Other Financial Charges	297,719	137,452
	<u>13,588,877</u>	<u>11,166,785</u>
SCHEDULE - 14 ADMINISTRATIVE EXPENSES		
Auditor Fees	42,000	65,000
Insurance Charges	260,859	217,540
Licenses & Taxes	485,741	496,573
Security charges	427,936	351,291
Legal & Professional Charges	22,730	53,000
Postage, Telegrams & Telephones	175,773	166,457
Printing & Stationery	57,546	89,472
Travelling Expenses	534,101	184,946
Vehicle Maintenance	426,145	146,894
Donation	11,350	18,000
General Expenses	57,642	13,463
	<u>2,501,823</u>	<u>1,802,636</u>

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2010**

PARTICULARS	AS AT	
	31.03.2010 Rs	31.03.2009 Rs
SCHEDULE - 15 MARKETING EXPENSES		
Freight Outwards	34,250	11,458
Sales commission	886,685	-
Consignment Sales Expenses	542,670	496,285
	1,463,605	507,743
SCHEDULE - 16 PRIOR YEAR INCOME & EXPENDITURE		
Income	-	-
Less : Expenditure		
Prior Year Expenses	98,372	45,353
	(98,372)	(45,353)

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 14.05.2010

K Dhanakumar
Director

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

I. Significant Accounting Policies

a) General

The financial statements are prepared on historical cost basis and as per the fundamental accounting assumptions viz., going concern, consistency and accrual.

b) Fixed Assets

Fixed Assets have been stated at historical cost of acquisition, installation and commissioning less accumulated depreciation and modvat benefits on capital goods. Depreciation is charged on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

c) Inventories

Raw materials are valued at cost. Work in progress and finished goods are valued at selling price or net realizable value whichever is lower. Stores and spares are valued at cost.

II. Notes on Accounts

1. Installed Capacity	31.03.2010	31.03.2009
a) Installed Capacity in Spindles	15,576	15,576
b) There is no foreign currency transaction during the year.		
c) There are no outstandings to small scale industrial undertakings for more than 30 days		
d) Expenditure in foreign currency – Nil (Previous year – Nil)		
e) Income in foreign currency – Nil (Previous year – Nil)		
2. Quantitative Particulars	31.03.2010	31.03.2009
A) Raw Materials (kgs) Cotton		
i) Opening Stock	71,205	110,442
ii) Purchase during the year	2,932,984	1,957,961
iii) Consumption	2,584,343	1,997,198
iv) Sales	-	-
v) Closing Stock	419,846	71,205
B) Production & Sales – Kgs		
i) Opening Stock	360,078	112,082
ii) Production	1,858,718	1,339,470
iii) Sales	1,967,323	1,091,474
iv) Closing Stock	251,473	360,078

3. The Company has obtained Term Loan from Indian Overseas Bank for Rs.480 Lacs (Outstanding as on 31.3.2010 is Rs.350.33 Lacs) and also obtained Cash Credit facility for Rs.350 Lacs (Outstanding as on 31.3.2010 is Rs.353.27 Lacs) by hypothecation of machinery, land, buildings along with personal guarantee by the directors.
4. Taking into consideration in time gap due to claiming depreciation, deferred taxation for Rs.37,33,292/- (PY Rs.12,83,588/-) has been claimed in the books.
5. Sundry Debtors are considered good and unsecured consisting of the following.
 1. Sundry Debtors includes debts from the same management within the meaning of Sec 379(IB) of the Companies Act, 1956 is Nil (PY=Nil)
 2. Debts outstanding for more than 6 months is Nil (PY=Nil)
6. Amounts due from officers of the company under staff advance is Rs.442725/- (PY=Nil)
7. There is no claim against the company not acknowledged as debt.
8. Auditor remuneration Rs.42, 000/- per annum. (last year–Rs.35,000/-)
9. Commission paid to New Horizon Leasing & Finance Limited is Rs.713,967/- (PY Nil) TDS deducted is Rs.71,396/- (PY Nil)
10. In my opinion the Balance Sheet, Profit and Loss Account referred in my report comply with Accounting Standards referred in Section 211 of the Companies Act, 1956.
11. Previous year figures have been re-grouped wherever necessary.

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 14.05.2010

K Dhanakumar
Director

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration Number	U17111TZ2004	State Code	18
	PTC011160		
Balance Sheet Date	31.03.2010		

II Capital Raised During the Year

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

III Position of Mobilisation and Deployment of Funds (Amount in Thousands)

Total Liabilities	193,694	Total Assets	193,694
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Sources of Funds

Paid up Capital &			
Application Money	100,000	Reserves & Surplus	19,444
Secured Loans	70,360	Un-secured Loans	Nil

Application of Funds

Net Fixed Assets	109,019	Investments	Nil
Net Current Assets	85,943	Miscell. Expenditure	Nil

IV Performance of the Company

Total Income	249,317	Total Expenditure	233,856
Profit Before Tax	15,461	Profit After Tax	9,255
Earnings per Share	1.32	Dividend Rate %	-

V Generic Names of Three Principal Products

Item Code No. (ITC Code)	5205.11	Product Description	Cotton Yarn
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Consolidated Financial Statements

NEW HORIZON LEASING & FINANCE LIMITED

Auditors' Report to the Board of Directors of NEW HORIZON LEASING & FINANCE LIMITED.

1. We have audited the attached consolidated Balance Sheet of NEW HORIZON LEASING & FINANCE LIMITED (the parent) and its subsidiaries (together the Group) as at 31st March, 2010, the consolidated Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of NEW HORIZON LEASING & FINANCE LIMITED. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statement of subsidiaries, whose financial statements reflect total assets of Rs. 46,85,74,131/- as at 31st March, 2010, total revenue of Rs. 58,27,01,767/- for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by New Horizon Leasing & Finance Limited Group's Management in accordance with the requirements of the accounting standard (AS) 21, "Consolidated Financial Statements" as prescribed under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India; except regarding provision of Gratuity / Leave encashment not being provided on actuarial basis, therefore we are unable to quantify the effect, if any, on the consolidated

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profits of the New Horizon Leasing & Finance Limited, the Group for the year ended 31st March, 2010. (Refer Note 1(g) of Schedule 21)

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2010;
- b) In the case of the Consolidated Profit & Loss Account, of the profit of the Group for the year ended on that date.

For A. N. Damania & Co
Chartered Accountants

Ashvin N. Damania
Proprietor
Membership No. 40166
Firm Regn. No.102077W

Date : 3rd September 2010
Place : Mumbai

NEW HORIZON LEASING & FINANCE LIMITED

CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2010

PARTICULARS	SCHEDULE		AS AT 31.03.2010 Rs
SOURCES OF FUNDS			
Share Capital	1		9,795,500
Share Application Money			30,000,000
Reserves & Surplus	2		63,168,633
Minority Interest			82,381,998
Secured Loans	3		169,374,439
Unsecured Loans			11,438,302
Deferred Taxation			14,600,824
TOTAL			380,759,696
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		330,464,602	
Less: Depreciation		73,923,011	
		<u>256,541,591</u>	
Current Assets, Loans & Advances			
Stock in Trade	5	198,908,845	
Sundry Debtors	6	102,896,871	
Cash & Bank Balances	7	27,721,256	
Loans & Advances	8	25,694,941	
		<u>355,221,913</u>	
Less : Current Liabilities & Provisions			
Liabilities	9	221,288,060	
Provisions	10	9,715,748	
		<u>231,003,808</u>	
Net Current Assets			124,218,105
TOTAL			380,759,696
Accounting policies and notes forming part of accounts	11		

As per our attached Report of even date

For A N Damania & Co.

Chartered Accountants

Ashvin N Damania

Proprietor

Membership No.40166

Firm Regn.No.102077W

Date : 3rd September 2010

Place : Mumbai

For and on behalf of Board of Directors

T Rajkumar

Director

Pradip R Shroff

Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

PARTICULARS	SCHEDULE	AS AT 31.03.2010 Rs
INCOME		
Sales	11	608,536,570
Sale of Ready Goods		2,290,130
Increase / Decrease in stock-in-trade	12	(27,198,251)
Other Income		2,256,603
TOTAL		585,885,052
EXPENDITURE		
Raw Material Consumption	13	387,648,359
Purchase of ready goods		2,118,515
Personnel Expenses	14	29,802,167
Repairs & Maintenance	15	3,610,055
Other Manufacturing Expenses	16	70,116,538
Interest & Financial Charges	17	34,096,659
Administrative Expenses	18	7,123,653
Marketing Expenses	19	2,908,663
Directors Remuneration		360,000
Depreciation		14,913,866
TOTAL		552,698,475
Profit for the year		33,186,577
Provision for Income tax		5,546,047
Deferred Tax		6,617,270
Prior year Tax Adjustment		22,105
Prior year expenditure	20	141,814
Net Profit After Tax & Prior Year Adjustments		2,08,59,341
Balance Brought Forward from previous year (Including Capital Subsidy of Rs.1,500,000/-)		67,199,090
Profit available for appropriation		88,058,431
Appropriation		
Minority Interest		24,889,798
Capital Reserves		57,562,699
Carried Forward to Balance Sheet		5,605,934
		88,058,431
Accounting policies and notes forming part of accounts	21	

As per our attached Report of even date

For and on behalf of Board of Directors

For A N Damania & Co.

Chartered Accountants

T Rajkumar
Director**Ashvin N Damania**

Proprietor

Membership No.40166

Firm Regn.No.102077W

Pradip R Shroff
Director

Date : 3rd September 2010

Place : Mumbai

NEW HORIZON LEASING & FINANCE LIMITED

**SCHEDULES FORMING PART OF BALANCE SHEET
AS AT 31st MARCH 2010**

PARTICULARS	AS AT 31.03.2010 Rs
SCHEDULE - 1 SHARE CAPITAL	
Authorised Capital	
20,00,000 Equity Shares of Rs.10/- each	20,000,000
	20,000,000
Issued, Subscribed and Paid-up	
10,00,000 Equity Shares of Rs.10/- each	10,000,000
Less : Allotment money in arrears (from other than Directors)	204,500
	9,795,500
SCHEDULE - 2 RESERVES AND SURPLUS	
Profit & Loss Account	5,605,934
Capital Reserves (on consolidation)	57,562,699
	63,168,633
SCHEDULE - 3 SECURED LOANS	
Term Loans	83,968,290
Cash Credit	85,406,149
	169,374,439
Note: secured against hypothecation of machinery, land, buildings alongwith personnel guarantee by the Directors of subsidiaries.	
SCHEDULE - 5 STOCK-IN-TRADE	
- Cotton	100,092,133
- Work-in-process	19,958,833
- Yarn	75,973,507
- Waste	1,232,460
- Stores	1,651,912
	198,908,845

SCHEDULE – 5 FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31.03.2010

Particulars	Gross Block						Depreciation			Net Block
	As on 01.04.2009	Additions	Transfer	As on 31.03.2010	Upto 01.04.2009	For the Period	Upto 31.03.2010	WDV as on 31.03.2010		
Land	4,700,742	-	-	4,700,742	-	-	-	4,700,742		
Buildings	37,273,090	-	-	37,273,090	7,133,343	1,244,921	8,378,264	28,894,826		
Plant & Machinery	188,434,581	46,394,255	-	234,828,836	45,197,439	12,203,326	57,400,765	177,428,071		
Electrical Fittings	23,953,100	-	-	23,953,100	6,416,352	1,264,724	7,681,076	16,272,024		
Vehicles	1,045,210	585,607	-	1,630,817	99,295	154,928	254,223	1,376,594		
Furniture & Fixtures	276,076	-	-	276,076	50,810	17,475	68,285	207,791		
Computer	113,000	-	-	113,000	39,459	18,318	57,777	55,223		
Office Equipments	203,473	-	-	203,473	72,447	10,174	82,621	120,852		
Work in Progress	50,662,962	-	23,177,494	27,485,468	-	-	-	27,485,468		
Total	306,662,234	46,979,862	23,177,494	330,464,602	59,009,145	14,913,866	73,923,011	256,541,591		

(Rupees)

NEW HORIZON LEASING & FINANCE LIMITED

**SCHEDULES FORMING PART OF BALANCE SHEET
AS AT 31st MARCH 2010**

PARTICULARS	AS AT 31.03.2010 Rs
SCHEDULE - 6 SUNDRY DEBTORS	
(Unsecured, Considered Good)	
- Debts Outstanding for more than six months (The above includes due from companies under the same management Rs.33,78,405/-)	44,906,045
- Other Debts (The above includes due from companies under the same management Rs.60,27,145/-)	57,990,826
	<u>102,896,871</u>
SCHEDULE - 7 CASH AND BANK BALANCES	
Cash in hand and with banks	1,298,578
In Deposit Account	26,422,678
	<u>27,721,256</u>
SCHEDULE - 8 LOANS & ADVANCES	
(Unsecured, Considered Good)	
- Staff and Labour Advances (dues from Officers of subsidiaries)	875,840
- Advance for Purchase & Others	21,613,368
- Rent Advances	31,000
- Other Advances	788,283
- Pre-paid Expenses	327,640
DEPOSITS	
- Electricity Board	2,031,160
- Telephone Department	12,650
- Sales tax	15,000
	<u>25,694,941</u>
SCHEDULE - 9 CURRENT LIABILITIES	
Sundry Creditors	213,011,332
Liabilities for Expenses	7,327,343
Liabilities for Other Finances	372,833
Current Account with Directors	576,552
	<u>221,288,060</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2010**

PARTICULARS	AS AT 31.03.2010 Rs
SCHEDULE - 10 PROVISIONS	
Provisions	9,715,748
	9,715,748
SCHEDULE - 11 SALES	
Yarn Sales	602,559,180
Waste Sales	5,977,390
	608,536,570
SCHEDULE - 12 INCREASE / DECREASE IN STOCKS	
Closing Stock	
- Yarn	75,973,507
- Work-in-process	19,958,833
- Waste	1,232,460
	97,164,800
Less : Opening Stock	
- Yarn	97,402,640
- Work-in-process	25,902,980
- Waste	1,057,431
	124,363,051
	(27,198,251)
SCHEDULE - 13 RAW MATERIAL CONSUMPTION	
Opening Stock	39,942,710
Add : Purchases less Returns	447,330,470
Add : Purchase & Cleaning Expenses	467,312
Less : Closing Stock	100,092,133
	387,648,359
SCHEDULE - 14 PERSONNEL EXPENSES	
Salaries and Wages	26,538,789
Training Expenses	1,214,332
Staff & Labour Welfare	2,049,046
	29,802,167

NEW HORIZON LEASING & FINANCE LIMITED

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2010**

PARTICULARS	AS AT 31.03.2010 Rs
SCHEDULE - 15 REPAIRS & MAINTENANCE	
Building Maintenance	897,607
Machinery Maintenance	1,817,886
Electricals Maintenance	775,096
Office Maintenance	119,466
	<u>3,610,055</u>
SCHEDULE - 16 OTHER MANUFACTURING EXPENSES	
Power and Fuel	59,401,906
Stores and Consumables	
- Opening Stock	1,508,420
- Add : Purchases	10,514,644
- Add : Freight Inwards	343,480
- Less: Closing Stock	1,651,912
	<u>70,116,538</u>
SCHEDULE - 17 INTEREST AND FINANCIAL CHARGES	
Interest and Bank Charges	32,974,749
Other Financial Charges	1,121,910
	<u>34,096,659</u>
SCHEDULE - 18 ADMINISTRATIVE EXPENSES	
Auditor Fees	107,000
Rent & Rates	118,945
Security charges	778,846
Insurance Charges & Subscription	743,008
Licenses & Taxes	986,969
Legal & Professional Charges	175,123
Electricity Charges-Office	36,415
Postage, Telegrams & Telephones	475,938
Printing & Stationery	325,269
Travelling Expenses	1,701,695
Vehicle Maintenance	921,401
Hank Yarn Premium	311,230
Donation	122,426
Bank Charges	166

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2010**

PARTICULARS	AS AT 31.03.2010 Rs
Advertisement Expenses	7,731
General Expenses	283,631
Misc. Expenditure	10,330
Filing Fees	6,500
Listing Fees	11,030
	7,123,653
 SCHEDULE - 19 MARKETING EXPENSES	
Freight Outwards	192,070
Commission	625,253
Consignment Sales Expenses	2,091,340
	2,908,663
 SCHEDULE - 20 PRIOR YEAR EXPENDITURE	
- Prior Year Expenses	141,814
	141,814

As per our attached Report of even date

For A N Damania & Co.

Chartered Accountants

Ashvin N Damania

Proprietor

Membership No.40166

Firm Regn.No.102077W

Date : 3rd September 2010

Place : Mumbai

For and on behalf of Board of Directors

T Rajkumar

Director

Pradip R Shroff

Director

**Schedules annexed to and forming part of the Consolidated
Financial Statements for the year ended 31st March, 2010**

SCHEDULE 17: Notes on Consolidated Accounts

1. Significant Accounting Policies:

a. The accounts have been prepared on the accrual basis of accounting, under historical cost convention and in accordance with the generally accepted accounting principles, Companies Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and the provisions of Companies Act, 1956, except where otherwise stated.

b. Principles of consolidation

The Consolidated Financial Statements include the Financial Statements of New Horizon Leasing and Finance Limited and its subsidiaries, namely Sri Mahasakthi Mills Limited and Sri Arumuga Cottspin Private Limited.

The Consolidated Financial Statements have been prepared on the following basis:

- i. The Financial Statements of the Parent Company and its Subsidiary Companies have been consolidated on a line-by-line basis, by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or losses.
- ii. The Consolidated Financial Statements are prepared by adopting Uniform Accounting policies.
- iii. The Financial statements of the following subsidiaries have been incorporated for consolidation.

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest (%)
Sri Mahasakthi Mills Ltd	India	75%
Sri Arumuga Cottspin Private Limited	India	60%

c. Income:

- i. Refunds from government department are accounted for on receipt basis.
- ii. Sales/Purchase of shares are accounted based on Brokers Contract Note/Company's Debit Note.

iii. Commission income is accounted on the basis of Bill/ Debit Note raised.

iv. Sale of goods are recognized bases on the invoice raised.

d. Expenditure:

Revenue expenses are accounted on accrual basis.

e. Fixed Assets:

Fixed Assets are stated at historical cost of acquisition, installation and commissioning less accumulated depreciation and modvat benefits on capital goods. Depreciation is charged on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

f. Inventories:

Raw materials are valued at cost. Work in progress and finished goods are valued at selling price or net realizable value whichever is lower. Stores and spares are valued at cost.

g. Retirement Benefits:

Retirement benefits are accounted on actual payment basis.

h. Provision for Taxation:

i. Provision for current tax has been made in accordance with the Income Tax Act, 1961.

ii. Deferred Tax is recognized on timing differences being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period, at the current rate of tax.

i. Provisions and Contingent liabilities:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. Contingent liabilities:

We have been informed that there are no contingent liabilities other than disputed Sales-Tax (Lease-Act) disclosed separately.

NEW HORIZON LEASING & FINANCE LIMITED

3. Earnings per share

Particulars	2009-10	2008-09
Net Profit/(Loss) for the year	3,04,81,261	6,44,874
Number of equity shares	10,00,000	9,79,550
Basic Earnings per share (F.V. Rs.10)	30.48	(0.66)

4. In the opinion of the Board of Directors Current Assets, Loans and Advances have been stated at values likely to be realized in the ordinary course of business.
5. The company do not possess information about the micro, small and medium enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes and accordingly no additional disclosure have been made.
6. The Company has not provided disputed Sales – tax (Lease Act) Liability of Rs.32.97 lac.
7. Debit/Credit balances are subject to confirmation.

8. RELATED PARTY DISCLOSURE

Related party disclosure as required by Accounting Standard No.18 is given below:

List of related parties and the transactions taken place during the year:

(Rs. in lac)

i) Companies	Opening balance	Debit	Credit	Closing balance
Aarayaa Finstock Pvt. Ltd.	14.79	-	14.79	-
Budh Holding & Trading Co. Pvt. Ltd.	33.78	60.28	-	94.06
Sri Mahasakthi Mills Ltd.	7.60	14.25	-	21.85
Sri Arumuga Sugars Pvt. Ltd.	-	8.04	-	8.04
ii) Relatives of Key Management Personnel				
a) Mr. Satyam Shroff	5.76	-	5.76	-

9. Additional Information pursuant to Schedule VI, Part II to the Companies Act, 1956, to the extent applicable.

Earnings in Foreign Exchange : Nil

Expenditure in Foreign Currency incurred during the year: Nil

Previous year's figures are regrouped / rearranged wherever found necessary.

As per our attached Report of even date

For A N Damania & Co.

Chartered Accountants

Ashvin N Damania

Proprietor

Membership No.40166

Firm Regn.No.102077W

Date : 3rd September 2010

Place : Mumbai

For and on behalf of Board of Directors

T Rajkumar

Director

Pradip R Shroff

Director