



LAHOTI

OVERSEAS LIMITED

AN ISO 9001 : 2008 CERTIFIED COMPANY

LAHOTI OVERSEAS LIMITED



CHAIRPERSON	:	SMT. RUKMINI R. LAHOTI
MANAGING DIRECTOR	:	SHRI UMESH R. LAHOTI
EXECUTIVE DIRECTOR	:	SHRI UJWAL R. LAHOTI
DIRECTORS	:	SHRI PRADEEP R. RATHI SHRI ARUN GODBOLE SHRI PRAKASH R. BANG SHRI AADHITIYA U. LAHOTI
AUDITORS	:	P. C. GHADIALI & CO. CHARTERED ACCOUNTANTS MUMBAI
INTERNAL AUDITORS	:	LAHOTI NAVNEET & CO. CHARTERED ACCOUNTANTS MUMBAI
BANKERS	:	PUNJAB NATIONAL BANK CITI BANK N.A. HSBC LTD. STATE BANK OF INDIA UNION BANK OF INDIA
SOLICITORS	:	SHIRALKAR & CO. MUMBAI
REGISTERED OFFICE	:	307, ARUN CHAMBERS, TARDEO ROAD, MUMBAI - 400 034.



LAHOTI OVERSEAS LIMITED

NOTICE

Notice is hereby given that the **Fourteenth Annual General Meeting** of the Members of **Lahoti Overseas Limited** will be held on Tuesday, 29th September 2009 at 3.00 P.M. at the Registered Office of the Company at 307, Arun Chambers, Tardeo Road, Mumbai - 400 034 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors & Auditors' thereon.
2. To approve and declare Dividend on Equity Shares.
3. To appoint a director in place of Mr. Pradeep Rathi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Arun Godbole, who retires by rotation and being eligible offers himself for re-appointment
5. To re-appoint M/s. P.C. Ghadiali & Co. Chartered Accountants, Mumbai as an Auditor of the Company.

SPECIAL BUSINESS

1. To re-appoint Mr. Ujwal Lahoti as an Executive Director for a period of 5 (five) Years from 1st April, 2009 to 31st March, 2014 to avail his expertise services in the Area of Business Management and Business Development and proposed following resolution:

to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Special resolution**: -

RESOLVED THAT in accordance with the provisions of sections 198, 269 and 309 read with Scheduled XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of and payment of remunerations and perquisites to Mr. Ujwal Lahoti as an Executive Director of the company, for a period of 5 (five) years with effect from April 1, 2009, on the terms and conditions, as set out hereinunder, with power to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee

of the Board constituted to exercise its powers, including the powers conferred by this Resolutions) to alter and vary the terms and conditions and/or the remunerations, subject to the same not exceeding the limit specified under Schedule XIII to the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof.

- A. (I) Salary: In the range of Rs. 50,000 to 1,00,000 per month (Basic salary and annual increase therein to be decided by the Board within the above ceiling).
- (II) Special Allowance: As may be decided by the Board from time to time which shall not attract Provident fund, Gratuity, Superannuation fund etc.

B. Perquisites:

Perquisites applicable to the Executive Director in addition to salary, as follows:-

- i) Housing :
 - I. The Expenditure by the Company on hiring/leasing furnished accommodation will be subject to 60% of the salary, over and above 10% payable by the Executive Director.
 - II. In case the accommodation is owned by the Company, 10% of the salary of the Executive Director shall be deducted by the Company.
 - III. In case no accommodation is provided by the Company, the Executive Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing-I. mentioned above

ii) Medical Reimbursement:

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary per year or three month's salary over a period of three years.

iii) Leave Travel Concession:

Leave Travel Concession for self and family subject to maximum of once in a year incurred in accordance with the Rules of the Company.

iv) Club Fees:

Fees of clubs subject to a maximum to two clubs.

No admission and life membership fees will be allowed.

v) Personal Accident Insurance:

Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.5,000/- per annum.

vii) Provident Fund / Superannuating Fund

a) Company's contribution towards Provident Fund as per the Rules of the Company.

b) Company's contribution towards Superannuating Fund as per the Rules of the Company.

Contribution to Provident Fund, Superannuating Fund or Annuity Fund will be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income Tax Act.

vii) Gratuity:

As per the Rules of the Company.

viii) Earned Leave:

On full pay and allowance as per the Rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

ix) Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

Explanation: "Family" means the spouse, dependent children and dependent parents of Mr. Ujwal Lahoti.

PART C:

Provision of use of car for Company's business purpose and telephone at residence will not be considered as perquisites. Company shall raise the bill for the use of car for private purpose and the personal long distance calls on telephone.

In case of inadequate profits or no profits in any

financial year, the remuneration by way of salary, allowances and perquisites as above shall be paid as minimum remuneration and it shall not exceed the limits prescribed under the Companies Act, 1956 and the rules made there under or any statutory modification(s) or re-enactment thereof.

D. Mr. Ujwal Lahoti will not divulge or disclose or use for his own purpose or any information of knowledge or trade secret of the Company.

E. Subject to the superintendence, control and direction of the Board, Mr. Ujwal Lahoti shall exercise and perform such powers and duties as the Board of Directors shall determine from time to time.

F. The appointment is terminable by either party by giving the other three months notice in writing.

FURTHER RESOLVED THAT notwithstanding anything herein, where in any financial year, during the currency of tenure of the Executive Director the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites in accordance with the limits stipulated in Schedule XIII to the Companies Act, 1956.

FURTHER RESOLVED THAT the remuneration payable to Mr. Ujwal Lahoti is subject to the limits of 5% and 10% of the net profits of the Company, as the case may be, as laid down in sub-section (3) of Section 30 of the Companies Act, 1956 and the overall limit of 11% of the net profits of the Company as laid down in sub-section (1) of Section 198 of the said Act or such other limits as may be specified by the prescribed authorities from time to time.

FURTHER RESOLVED THAT the Executive Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment."

FURTHER RESOLVED THAT Board of Directors is hereby authorised to do all such acts as may be necessary desirable, and expedient to give effect to the resolution."

By Order of the Board

Place: Mumbai
Date: 25th August, 2009

Umesh Lahoti
Managing Director



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 herself/himself and the proxy need not be a member of the company. The proxies in order to be effective must be received by the company not less than 48 hours before the meeting.**
2. Corporate members are requested to send duly certified copy of Board resolution authorizing their representatives to attend and vote at the meeting.
3. Members/Proxy holders are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled-in for attending the Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 23/09/2009 to 29/09/2009 (both days inclusive).
5. The Shareholders are requested to notify their change of address immediately to the Registrars & Transfer Agent – **Sharepro Services (India) Pvt. Ltd.** The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.
6. Those members who have not yet encashed the dividend warrants for the previous years may approach the Regd. Office of the Company for the issuance of fresh cheque for dividend of the relevant year.
7. The Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 in respect to special business annexed hereto.
8. The members may note that the dividend declared by the Company before the year 2002, unencashed /unclaimed for a period of 7 (Seven) Years will be transferred to the Investors Education and Protection Fund (IEPF) constituted by the Central Government u/s 205A & 205C of the Companies Act, 1956. Further note that under the amended provision of Section 205B of the Companies Act, 1956 no claim by the share holders shall lie for the unclaimed dividend transferred to IEPF.

9. Equity shares of the Company are under compulsory demat trading by all investors. Those shareholders who have not dematerialised their equity shares are advised to dematerialise their shareholding, to avoid inconvenience in future.
10. Re - appointment of directors: At the ensuing Annual General Meeting Mr. Pradeep Rathi and Mr. Arun Godbole retire by rotation, and being eligible, offer themselves for re-appointment. The details pertaining to these directors required to be provided pursuant to clause 49 of the listing agreement are furnished in the statement on Corporate Governance published elsewhere in this Annual report.
11. Members intending to seek explanation / clarification about the Accounts at the Annual General Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available.
12. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

(Pursuant to the provisions of Section 173(2) of the Companies Act, 1956)

Item No. V

The Board of Directors in their meeting held on 29th April, 2009 has, subject to the Members approval and subject to the provisions of the Articles of Association of the Company, re-appointed Mr. Ujwal Lahoti as an Executive Director of the Company for a period of five (5) years with effect from 1st April, 2009 on the remuneration determined by the Board of Directors.

The main terms of appointment of Mr. Ujwal Lahoti as an Executive Director, as set out in the Letter of Appointment.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the **Fourteenth Annual Report** together with the audited statements of accounts of the Company for the year ended 31st March 2009.

Financial Results:

The performance of the Company for the financial year ended March 31 2009 is summarised below:

(Rs. In Lakhs)

Particulars	Financial year ended 31-03-2009	Financial year ended 31-03-2008
Sales & Other Income	15216.83	20502.85
Gross Profit	1279.81	1801.52
Less: Depreciation	133.26	172.80
Profit before Tax	124.21	295.78
Provision for Tax	50.17	60.03
Deferred Tax	(24.49)	(30.07)
Fringe Benefit Tax	2.35	2.34
Profit after Tax	96.17	263.48
Add: Balance B/f. From last year	2766.75	2618.58
Prior period and other adjustment	(14.86)	—
Add: Excess provision written back	0.95	—
Less: Short provision for Income Tax	—	(10.57)
Amount available for appropriation	2849.02	2871.48
Less: Proposed Dividend	58.77	70.52
: Interim Dividend	—	—
: Corporate Dividend Tax	9.99	11.98
: Transferred to General Reserves	—	22.18
Add: Excess provision for Dividend	0.37	—
Balance carried to Balance Sheet	2780.63	2774.26

1. Financial Performance:

During the year, your Company has recorded a total income of Rs. 15,216.83 Lacs, against Rs. 20,502.86 Lacs in the previous year, decrease of 25.78 %. Net Profit Before Taxation for the financial year ended March, 31, 2009 declined to Rs. 124.21 Lacs from Rs.295.73, which is decline of 58.00% in the previous year. This is mainly attributable to Loss on Sale of Fixed

Assets which is Rs. 89.82 Lacs and Operational income has declined to the tune of 27.63 % as Compared to the financial year 2007-08. Your directors hopeful of achieving better results in the coming year.

2. Dividend:

Your Board of Directors proposed the Final Dividend @ 10% on 29382500 Equity Shares of Rs. 2/- each absorbing an amount of Rs. 58,76,500/-. The dividend will be paid to those members whose name appears in the register of members as on 29th September, 2009 subject to the approval by the members at the Annual General Meeting.

3. EXPORTS

In spite of the unfavorable and recessionary conditions prevailing all over the world, the Company could achieve a better export performance as compare to the industrial trend. Adhering to consistent & timely supply of quality goods and by providing better services to the customers. Looking at the new trend emerging in the markets, your company has plans to focus on the value added and specialized items for export from the textile industry.

4. Management Discussion and Analysis:

The Management Discussion and analysis report for the year under review, as stipulated under clause 49 of the listing agreement with the stock exchanges in India, is presented in a separate section which forms, part of the annual report.

5. Subsidiary Companies:

The Company as of March 31, 2009 had Two subsidiaries, viz **Lahoti Spintex Limited and G.Varadan Limited** as wholly owned subsidiaries of Lahoti Overseas Limited.

As per the provisions of Section 212 of the Companies Act, 1956, the audited statements of accounts of the Subsidiary Companies are annexed to the Annual Report of the Company.

The company was having Lahoti Terra Knitfab Limited as its subsidiary in the Financial Year 2007-08, but, due to dilution of share holding during the financial year 2008-09 it ceased to be subsidiary.

6. Fixed Deposit

Your Company has not accepted any fixed deposit from public. As such, no amount of principal or interest is outstanding as of the Balance Sheet date.

7. Directors:

At the ensuing Annual General Meeting Mr. Pradeep



LAHOTI OVERSEAS LIMITED

Rathi & Mr. Arun Godbole are liable to retire by rotation and is being eligible for re-appointment.

8. Directors' Responsibility Statement:

Pursuant to the requirements under section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the Accounts for the financial year ended March 31 2009, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the Profit of the Company for the year under review.
- iii. Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. Directors had prepared the accounts for the financial year ended March 31, 2009 on a going concern basis.

9. Consolidated Financial Statements

The Audited Consolidated Financial Statements, based on the financial statements received from subsidiaries, associates and partnership firms, as approved by their respective Board of Directors and Managing committee, have been prepared in accordance with Accounting Standard-21 (AS-21) on consolidated Financial Statements read with Accounting Standard-23 (AS-23) on the Accounting for investments in associates.

10. Auditors

M/s. P. C. Ghadiali & Co., Chartered Accountants as Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The company has received letter from M/s. P. C. Ghadiali & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under section 224(1-B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act 1956.

11. LISTING

At present the Company's Equity Shares are listed at Bombay Stock Exchange, Mumbai and the Company

has paid Listing Fees to the Above Exchange for the year 2009-10.

12. Particulars of Employees:

No employee of the company draws remuneration in excess of limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

13. Energy Conservation Measures, Technology Absorption and R & D Efforts and Foreign Exchange Earnings and Outgo:

Your Company is a Trading Company and hence the particulars required to be furnished under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption and R & D efforts are not applicable to the company.

During the period under review the company has earned Foreign Exchange of Rs. 14,420.15 Lacs and incurred the Foreign Exchange outgo of Rs. 101.71 Lacs.

14. Corporate Governance:

The Company has adopted the Corporate Governance Policies and Code of Conduct, which has set out the systems, processes and policies conforming to International Standards. The report on Corporate Governance, as stipulated under clause 49 of the listing agreement with the Stock Exchanges, forms the part of Annual Report. A Certificate from M/s. P. C. Ghadiali & Co., Chartered Accountants, confirming compliance with conditions of Corporate Governance as stipulated under the aforesaid clause 49, is annexed to this report.

15. Acknowledgement:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the company during the year.

For and on behalf of the Board of Directors

Umesh R. Lahoti
(Managing Director)

Ujwal R. Lahoti
(Executive Director)

Place: Mumbai

Date: 25th August, 2009.

CORPORATE GOVERNANCE

Lahoti Overseas Limited has maintained the highest standards of Corporate Governance policies, principles and best practices which is followed by all the constituents in the group. These policies and code prescribe a set of systems, processes and principles conforming to international standards which are reviewed periodically to ensure their continued relevance, effectiveness and responsiveness to the needs of local and global investors and all other stakeholders.

1. Our Governance Philosophy

The Company's philosophy on Corporate Governance is driven by its desire towards attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, from customers, shareholders and employees, to government, lenders and the wider community. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall enterprise value and safeguarding the shareholders trust. In our commitment to practice sound governance principles, we are guided by the following core principles:

1. Transparency

To maintain the highest standards of transparency in all aspects of our intentions and dealings

2. Disclosures

To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.

3. Empowerment and Accountability

To demonstrate the highest levels of accountability in all aspects and to ensure that employees consistently pursue excellence in everything they do.

4. Compliances

To comply with all laws and regulations as applicable to the company.

5. Ethical Conduct

To conduct the affairs of the Company in an ethical manner.

6. Stakeholders Interest

To promote the interest of all stakeholders including of customers, shareholders, employees, lenders, vendors, government etc.

2. Governance practices beyond regulatory requirements

Our governance practices seek to go beyond the statutory and regulatory requirements. Our Endeavour is to follow the spirit of good governance rather than the mere letter of the conditions specified by regulatory authorities. With this objective, we have formulated, inter alia, the following policy documents and introduced best practices of governance:

1. Values and commitments

We have set out and adopted policy documents on values and commitments of Lahoti Overseas Limited. We believe that any business conduct can be ethical only when it rest on the nine core values of honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

2. Code of ethics

Our policy documents on code of ethics in essence, direct that our employees should conduct the business with integrity by excluding consideration of personal advantage.

3. Business policies

Our business policies cover a comprehensive range of governance issues such as fair market practice, insider information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

4. Prohibition of Insider trading policy.

This document contains the policy on prohibiting trading in equity shares of the company, based on inside or privileged information.

5. Environment policy

The company is committed to achieving excellence in environment performance, and preservation and



promotion of environment are of fundamental concern in all our business activities.

6. Risk Management

Our Risk management procedures ensure that the management controls risks through means of a properly defined frame work.

We present our report on compliance of governance conditions specified in clause 49.

3. Board Of Directors

A. Board Strength and representation:

As of March 31, 2009, the board consisted of seven members. The composition and the category of directors on the board of the company as at March 31, 2009 were as under:

Category	Name of Director
Promoter / Chairperson – Non Executive	Smt. Rukmini R. Lahoti
Promoter / Managing Director	Mr. Umesh R. Lahoti
Promoter / Executive Director	Mr. Ujwal R. Lahoti
Promoter / Jt. Executive Director	Mr. Aadhiya U. Lahoti
Non Executive and Independent Director	Mr. Pradeep Rathi Mr. Arun Godbole Mr. Prakash R. Bang

Remuneration of Directors

Table gives the details of Remuneration paid or payable to Directors during 2008-2009.

Detailed terms of appointment of the Managing Director and the Executive Director are governed under Board and AGM resolutions.

Name of Director	Sitting Fees (in Rs.)	Salaries and perquisites (in Rs.)	Total (in Rs.)
Smt. Rukmini R. Lahoti	4,000.00	Nil	4,000.00
Mr. Aadhiya U. Lahoti	Nil	2,40,000.00	2,40,000.00
Mr. Umesh R. Lahoti	Nil	6,00,000.00	6,00,000.00
Mr. Ujwal R. Lahoti	Nil	6,00,000.00	6,00,000.00
Mr. Arun Godbole	Nil	Nil	Nil
Mr. Pradeep Rathi	Nil	Nil	Nil
Mr. Prakash R. Bang	4,000.00	Nil	4,000.00

Notes:

- None of the directors received any loans or advances from the company during the year.

B. Conduct of Board proceedings

The day – to – day business is conducted by the Executives of the company under the direction of the Chairperson and the supervision of the Board. The Board holds periodic meetings every year to review and discuss the performance of the company, its future plans, strategies and other pertinent issues relating to the company. The Board performs the following specific functions in addition to the oversight of the business and the management.

- Review, monitor and approve financial and business strategies and corporate actions;
- Assess critical risks facing the company – review options for their mitigation;
- Provide counsel on the selection, evaluation, development and compensation of senior management.
- Ensure that processes are in place for maintaining the integrity of
 - the company;
 - the financial statements;
 - compliance with laws;
 - relationships with customers, suppliers and other stakeholders;
- Delegation of appropriate authority to the senior executives of the company for effective management of operations.

The agenda and the notes on agenda are circulated to the directors in advance in the defined agenda format. All the information as required under clause 49 of the listing agreement, as is required from time to time is circulated to the board for its consideration.

During the Year 2008-2009 5 (Five) Board Meetings were held. These were on 29th April, 2008, 30th July, 2008, 25th August, 2008, 27th October, 2008, 29th January, 2009. The maximum time gap between any two Board meetings was 94 days and the minimum gap was 26 days.

C. Director's attendance record and directorships

See Annexure - I for details.

None of the Directors held directorships in more than 15 Public Limited Companies.

No director had membership of more than 10 committees of Boards, nor is any director is Chairman of more than 5 committees of Boards.

3.1. Information Supplied To The Board

Among others, information supplied to the board includes:

- Quarterly results for the company and its operating divisions,
- Minutes of meetings of Audit Committee and other Committees,
- Materially important show cause, demand, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences,
- Any materially relevant default in financial obligations to and by the company or substantial
- Non-payment for goods sold by the company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business,
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement; and
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholder service such as non-payment of dividend and delay in share transfer.

The Board of Lahoti Overseas Limited is presented with detailed notes along with the agenda papers well in advance of the meeting.

A. Disclosure Regarding Re-Appointment of Directors

Disclosure regarding re-appointment of Directors required as per Clause 49 (VI) (A) of the Listing agreement:

i) Mr. Pradeep Rathi, 56 years, is a B.Sc., M.S. (Chemical Engineer) (M.I.T.), MBA (Columbia) in the USA, he attended various industry oriented courses. He has a work experience of 32 years in various fields. He has undertaken many summer jobs and also undertook the task of promoting the Company's product and doing the liaison work for technical collaboration. The knowledge and experience of Mr. Pradeep Rathi would be of immense benefit to the progress and growth of the Company. He serves on the Boards of various Public and Private Limited Companies.

ii) Shri Arun Godbole, 65 years, is a Post Graduate in Commerce and stood second in Poona University in the L.L.B. examination and was awarded D.L.Vaidya Gold Medal. He is leading tax consultants in Satara, Pune and Kolhapur area. He has addressed several seminars on Income Tax, Indian Economy and Government Fiscal and Budget Policy.

Attendance at Board Meeting held during 2008-09 and at the last AGM, number of directorships, memberships/ chairmanships in public companies during 2008-09 – Annexure I

Name of Director	Category	No. of Board meetings attended out of 5 meetings held	Attendance at the last AGM held on 29th September, 2008.	Number of directorship
Mr. Umesh R. Lahoti	Managing Director, Executive & Non Independent	5	Yes	5
Mr. Pradeep Rathi	Non Executive, Independent	NIL	No	21
Mr. Ujwal R. Lahoti	Executive, Non Independent	5	Yes	3
Smt. Rukmini R. Lahoti	Chairperson Non Executive & Independent	5	Yes	2
Mr. Arun Godbole	Non Executive, Independent	NIL	Yes	1
Mr. Prakash Bang	Non Executive, Independent	5	Yes	5
Mr. Aadhitiya U. Lahoti	Executive, Non Independent	5	Yes	NIL

1. None of directorships excludes directorship in foreign company, Alternate directorships, companies registered under section 25 of the companies act and private companies.
2. Committee includes Audit committee and Shareholders/Investors Grievances Committee as required under Clause 49 of Listing Agreement.
3. Membership of Committees includes Chairmanship also.



I. Audit Committee

The Audit Committee of Lahoti Overseas Limited consists of all the three independent directors of the company. All the directors have good knowledge of finance, accounts and Company law. The Chairman of the committee is Mr. Prakash R. Bang. The committee held 4 (Four) meetings during the year. The Audit Committee also advises the Management on the areas where internal audit can be improved. The terms of reference of the Audit Committee are in accordance with all the items listed in clause 49 (II) (D) and (E) of the listing agreement and section 292 of the Companies Act, 1956 as follows:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible;
- Reviewing with management the annual financial statement before submission to the Board, focusing primarily on;
 - a. matters required to be included in the directors responsibility statement included in the report of the *Board of Directors*;
 - b. any changes in accounting policies and practices;
 - c. major accounting entries based on exercise of judgment by management;
 - d. qualifications in draft statutory audit report;
 - e. significant adjustments arising out of audit;
 - f. compliance with listing and other legal requirements concerning financial statements;
 - g. any related party transactions.
- Reviewing with the management the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, statutory auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- Discussion with internal auditors any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and reporting the matters to the Board;
- Discussion with Statutory auditors before the audit commences about nature and scope of audit, as well as post-audit discussion to ascertain any area of concern;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- Review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Internal audit reports relating to internal control weakness;
 - c. Management letters/letters of internal control weakness issued by statutory/internal auditors;
 - d. Statement of significant related party transactions; and

The Audit Committee has the following powers:

- i. To investigate any activity within its terms of reference.
- ii. To seek any information from any employee.
- iii. To obtain outside legal and professional advice.
- iv. To secure attendance of outsiders with relevant expertise, if it considers it necessary.

4.1. Composition, Name and Chairman

The Audit Committee of Lahoti Overseas Limited consists of qualified and non-executive Directors. It consists of

- a) Mr. Prakash R. Bang (Chairman of the Committee & Independent Director)
- b) Mr. Pradeep Rathi (Independent Director) and
- c) Mr. Arun Godbole (Independent Director having accounting and financial knowledge)

The internal auditors are M/s. Lahoti Navneet & Co., Chartered Accountants, Mumbai.

4.2 Meetings and Attendance during the year 2008-09

Audit Committee met 4 times during the year 2008-09 and the attendance record is as per the table given below:

Name of Director	Number of meetings held during the tenure of directors	Meetings attended
Mr. Pradeep Rathi	4	NIL
Mr. Arun Godbole	4	4
Mr. Prakash Bang	4	4

The Audit Committee held its meetings on 21st April, 2008, 16th July, 2008, 27th October, 2008, 29th January, 2009.

5. Shareholders' / Investor's Grievances Committee

The Committee specifically looks into the transfer of shares and related matters and redressing complaints of share holders and investors such as transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and Dematerialization of shares.

5.1 Composition of Committee

The committee comprises of the following members

- Mr. Prakash R. Bang (Independent Director)
- Mr. Umesh R. Lahoti (Managing Director)
- Mr. Ujwal R. Lahoti (Executive Director)

There was no meeting of Shareholders and Investor's Grievances Committee held during the year.

5.2 Complaints during the financial year 2008-2009.

Table below gives the details about the nature of complaints during the year 2008-2009

Nature of Complaints	No. of Complaints	No. redressed
Non-receipt of dividend	5	5
Non-receipt of credit for share sent for Demat	-	-
Non-receipt of Annual Report	Nil	Nil

There are no unsolved complaints pending.

6. DISCLOSURE

6.1 No penalty or stricture has been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years.

6.2 Disclosure of accounting treatment

The financial statements are prepared on accrual basis of accounting and in accordance with the Indian GAAP, provisions of the companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under section 211 (3C) of the act read with the companies (Accounting Standard) Rules, 2006.

6.3 Disclosure on risk management

The company has laid down procedures to inform the members of the board about the risk assessment and minimization procedures which is periodically reviewed by the Board.

6.4 Review of Director's Responsibility statement

The Board in its report have confirmed that the annual accounts for the year ended March, 31, 2009 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

6.5 LAHOTI INSIDER TRADING POLICY

The Company has implemented an Insider Trading Policy to comply with the relevant Insider Trading Regulation. In accordance with the policy, the Company announces quiet period for designated employees from time to time.

The Company has a policy of observing a 'quiet period' from the last day of the end of the quarter till two trading days after the financial results are published. The Company may also announce 'quiet period' during and after the occurrence of certain events mentioned in the Insider Trading Policy.

The Company is strictly monitoring its Insider Trading Policy.

7. Compliance with other mandatory requirements



7.1 Management Discussion and Analysis report

A management Discussion and Analysis report forms part of the annual report and includes discussions on various matters specified under clause 49 (IV) (F) of the listing agreement.

7.2 Subsidiaries

The company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an Independent director of the company on the Board of such subsidiary company. The Audit Committee reviews the financial statements, particularly, the investments made by the company's unlisted subsidiary companies. The proceedings of minutes of the meetings of the Board are placed before the Board of Directors of the company and the attention of the directors is drawn to all significant transactions and arrangements entered into by the subsidiary company.

8. Compliance with non- mandatory requirements

8.1 Shareholders Rights

The quarterly financial results including summary of significant events of relevant period of three months are published in newspaper.

8.2 Audit Qualification

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

8.3 Training of Board Members

For Orientation and to get familiar with the company's business operations, governance procedures and practices, detailed presentations are periodically made to the Board members on the business model of the company, risk profile of the business parameters and their responsibilities as directors.

8.4 Means of Communication

Information like quarterly financial results and media releases on significant developments in the Company as also presentations that have been made from time to time to the media, and has also been submitted to the stock exchanges on which Company's equity shares are listed, to enable them

to put them on their own websites. The quarterly financial results are published in Navshakti a Vernacular language News Paper and Free Press Journal English News Paper

8.5 Auditors Certificate on Corporate Governance

The Auditors Certificate on compliance of clause 49 of the listing agreement relating to corporate governance is published as an annexure to Directors report.

8.6 Review of Governance practices

We have in this report attempted to present the governance practices and principles being followed at Lahoti Overseas Limited as evolved over the years, and as best suited to the needs of our Business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance so as to meet the expectations of our stakeholders.

9. General Body Meetings

9.1 Date, time and venue for the last three annual general meetings.

Financial year	Date	Time	Venue
2005-2006	29/09/2006	3.00 P.M.	Registered office of the Company
2006-2007	28/09/2007	3.00 P.M.	Registered office of the Company
2007-2008	29/09/2008	3.00 P.M.	Registered office of the Company

9.2 Details of the Special Resolutions passed in the previous three AGMs

There was no special resolution at the last Annual General Meeting required to be put through postal ballot.

10 Additional Shareholder Information

10.1 Annual General Meeting

Date : Tuesday, 29th September, 2009 at 3.00 p.m.
Venue : Registered office of the Company at 307, Arun Chambers, Tardeo Road, Mumbai – 400 034, Maharashtra.

10.2 Postal Ballot:

During the financial year the following resolutions passed by the postal ballot procedure :

Particulars	No. of votes in favour	% of votes in favour
Authorised to Board of Directors to Sell/Transfer Dispose of Tirupur Unit	18841513	99.90
Authorised to Board of Directors to make loan(s) and/or give any guarantee(s)/ provide any security(ies) upto a limit not exceeding Rs. 40.00 Crores.	18778497	99.56

10.3 FINANCIAL CALENDAR

1st April to 31st March

For the year ended 31st March, 2009, quarterly results were announced on

- * 30th July, 2008 — First Quarter
- * 27th October, 2008 — Second Quarter
- * 29th January, 2009 – Third Quarter
- * 29th April, 2009 — Fourth Quarter

10.4 BOOK CLOSURE

The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 23rd September, 2009 to Tuesday, 29th September, 2009 (both days inclusive) for the purpose of Annual General Meeting and Dividend.

10.5 LISTING

At present the Company's Equity Shares are listed at Bombay Stock Exchange, Mumbai and the Company has paid the Listing fees to the above exchange for the year 2009-2010.

10.6 STOCK CODES

* BSE: 531842

10.7. STOCK DATA

Table below gives the monthly high and low prices and volumes of Lahoti Overseas Limited equity shares at Bombay Stock Exchange, Mumbai for the year 2008-2009:

Month	High	Low	No. of shares Traded
April – 2008	7.40	5.86	155986
May – 2008	8.30	5.51	231713
June – 2008	6.65	4.33	180965
July – 2008	5.70	4.12	99814
August – 2008	5.70	4.11	115470
September – 2008	5.40	4.00	116100
October – 2008	4.99	2.55	135948
November – 2008	3.98	2.53	87523
December – 2008	3.48	2.50	41951
January – 2009	3.39	2.41	51176
February – 2009	3.05	2.14	52075
March – 2009	2.59	1.65	115123

10.8. SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

Lahoti Overseas Limited has appointed **SHAREPRO SERVICES (INDIA) PRIVATE LIMITED** as Registrars and Transfer Agents to handle the physical Share Transfer related work and for Electronic connectivity as per the directives of SEBI. The Company's equity shares are traded in the Stock exchanges compulsorily in Demat mode. The Share Holders & Investors Grievances Committee meets twice a month for dealing with matters concerning securities of the company.

For transfer of shares in physical form, the Company has introduced transfer cum demat facility to avoid unnecessary mailing of certificates. Certificates duly transferred are returned to those, who opt to receive certificates in physical form. There are no legal proceedings against the Company on any share transfer matter.

10.9. SHAREHOLDING PATTERN

Table below gives the pattern of shareholding by ownership and share class respectively:



LAHOTI OVERSEAS LIMITED

a. Pattern of shareholding by ownership as on 31st March, 2009.

Category	No. of shares held	Shareholding %
Promoters	15138925	51.52
Bodies Corporate (Group Cos.)	2317500	7.89
Other Bodies Corporate	6130636	20.86
NRI's	689662	2.35
Banks/Financial Institutions	-	-
Indian Public	5105777	17.38
TOTAL	29382500	100.00

b. Pattern of shareholding by share class as on 31st March, 2009.

Sr. No.	Category	Share Holders		Share Amount	
		Number	% to Total	(In Rs.)	% to Total
	(1)	(2)	(3)	(4)	(5)
1	Upto - 500	2299	52.40	1246870.00	2.12
2	501 - 1000	987	23.52	1815404.00	3.09
3	1001 - 2000	459	10.93	1472780.00	2.51
4	2001 - 3000	159	3.79	827884.00	1.41
5	3001 - 4000	87	2.07	633076.00	1.08
6	4001 - 5000	126	3.00	1212048.00	2.06
7	5001 - 10000	101	2.41	1548790.00	2.63
8	Above 10000	79	1.81	50008148.00	85.10
	Total	4197	100.000	58765000.00	100.000

10.10. DEMATERIALISATION

The Company's equity shares are under compulsory Demat trading. The ISIN of the Scrip is INE515C01015. As on 31st March, 2009, Dematerialized shares accounted for 83.67 % of the total equity. The Company has appointed **SHAREPRO SERVICES (INDIA) PRIVATE LIMITED** as Registrars & Transfer Agents to handle the physical Share Transfer related work and for Electronic connectivity as detailed below:

SHAREPRO SERVICES (INDIA) PVT. LTD.

Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracious Road,
Chakala, Andheri (East),
Mumbai – 400 099.
Phone No. 28215168/28348218/
28215991/28329828
Fax No. 28375646
E-mail : sharepro@vsnl.com

Contact person: Ms. Indira Karkera.

10.11. DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS

No capital has been raised from public in the last three years.

10.12. INVESTOR CORRESPONDENCE ADDRESS

Secretarial Department,
Lahoti Overseas Limited
307, Arun Chambers, Tardeo Road,
Mumbai – 400 034
Fax No. 022-23511930/40500140
Phone: 022-40500100/40500123
E-mail: aweline@lahotioverseas.com
Contact person: Mr. Aweline Mendes.

SHAREPRO SERVICES INDIA PRIVATE LIMITED

Satam Estate, 3rd Floor,
Above Bank of Baroda, Cardinal Gracious Road,
Chakala, Andheri (East),
Mumbai – 400 099
Phone: 28215168/28348218/28215991/28329828
E-mail: sharepro@vsnl.com

Contact person: Ms. Indira Karkera

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Lahoti Overseas Limited

We have examined the compliance of conditions of Corporate Governance by the **Lahoti Overseas Limited**, for the year ended 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance 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 statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

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

For P. C. GHADIALI & CO.
Chartered Accountants

(PANKAJ C. GHADIALI)
PARTNER
Membership No, 31745

Place: Mumbai
Dated: 25th August, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE AND DEVELOPMENT

The textile industry plays a crucial role in the Indian economy. It has a significant weight in the industrial production. Being a priority sector, the Government has extended Technological Upgradation Fund Scheme for providing necessary impetus to achieve quantum growth in the short term.

Lahoti Overseas Limited is an ISO 9001:2008 certified Company and is mainly engaged in the export trading of cotton yarn in all coarser and fine counts, where the Company has strong presence and leadership. The Company is mainly targeting the export of cotton yarn to Far East Asian countries like South Korea, China, Japan, Hong Kong, Malaysia, Vietnam and also cater to Gulf, Meditarian, European, North & South American market. The Company enjoys the excellent relationship with its overseas customers, which has been built over the years by strictly adhering to delivery schedules maintaining consistent quality and providing prompt after sales service.

In Recognition of the Company's excellent export performance, your Company has received Gold, Silver & Bronze trophies consistently since 1997 from TEXPROCIL (Cotton Textile Export Promotion Council) for excellence in export of cotton yarn. Your company has received the Prestigious "Gold Trophy" in Merchant Exporters category from TEXPROCIL for the year 2007-2008. Besides above, your Company has received two "Silver Plaque" award from Govt. of Maharashtra for excellent performance in exports.

B) OPPORTUNITIES AND THREATS

Excess capacity build-up in the Asian region has posed serious threat in terms of cutthroat price competition. The recessionary situation in USA is likely to be worsen and will effect overall consumption of textile and clothing's. The cutthroat competition from China, being the most cost effective textile supplier, is showing signals of reducing competition because of the appreciation of Chinese Yuan and certain other factors. However,



similarly, the competition to Indian Textile Industry is growing from the most cost effective countries like Bangladesh, Pakistan and Vietnam.

C) OUTLOOK

The long term objective of the Company is to remain strong player in the cotton export market with strong emphasis on product and market development, value added yarns, customer services and Technology Up gradation. Your Company is also continuously improving its operational efficiency, and cost control which alone can improve the bottom line in future in highly competitive environment. Further, your Company is hopeful to get advantage of the overall boom likely to happen for the Indian Textile Industry and will do all out efforts to secure the bigger share of the increasing market in future.

D) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper adequate internal control system to ensure that all the assets are safe guarded and protected against the loss from unauthorized used or disposition and that transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive internal audit, periodical review by the management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

E) FINANCIAL AND OPERATIONAL PERFORMANCE

The Company has achieved Sales Turnover of Rs. 15184.08 Lakhs for the year ended 31st March, 2009 which is lower by 25.75% as compared to the previous year. Your Company has paid Key Man Insurance Premium of Rs. 13.08 lacs for the year ended 31st March, 2009 as against Rs. 12.82 lacs for the corresponding period ending 31st March, 2008. Profit before tax of the company has decreased by 58.00% compared to the previous year, this is mainly attributable to loss on sale of fixed assets which is Rs. 89.82 lacs.

The ongoing cost reduction measures and efficient operational system implemented by the Company has resulted in better utilization of resources and funds of the Company.

LIQUIDITY AND CAPITAL RESOURCES

(Rs. In Lacs)

Particulars	2008-2009	2007-2008
Cash and cash equivalents –		
Beginning of the year	42.19	220.08
End of the year	397.91	42.19
Net Cash provided (used) by -		
Operating activities	634.87	219.09
Investment activities	(48.12)	(624.38)
Financial activities	(231.02)	227.41

The net cash from the operating activities at Rs. 634.87 Lacs increased as compared to Rs. 219.09 Lacs in the previous year primarily due to change in working capital. The cash used in investment activity decrease from Rs. Rs. 624.38 Lacs to 48.12 Lacs during the year under review.

F) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year. Recruitment process has been strengthened to ensure higher competence levels.

ANNUAL DECLARATION BY CEO PURSUANT TO CLAUSE 49(I) (D) (ii) OF THE LISTING AGREEMENT

As per the requirements of Clause 49(I)(D)(ii) of the Listing Agreement, I, Umesh R. Lahoti, Managing Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year 2008-09.

Place : Mumbai
Date : 25th August, 2009

Umesh R. Lahoti
Managing Director

CERTIFICATION BY THE MANAGING DIRECTOR ON FINANCIAL STATEMENTS OF THE COMPANY

I, Umesh R. Lahoti, Managing Director of Lahoti Overseas Limited, certify that:



- (a) I have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best our knowledge the belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
- Place : Mumbai
Date : 25th August, 2009
- Umesh R. Lahoti**
Managing Director



AUDITORS' REPORT TO THE MEMBERS OF LAHOTI OVERSEAS LIMITED

1. We have audited the attached Balance Sheet of **LAHOTI OVERSEAS LIMITED**, as at 31st March 2009 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. Which we have signed under reference to this report. 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 the 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, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of The Companies Act, 1956, of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act 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 of the Company as at 31st March, 2009;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date.
and
 - iii. in case of Cash Flow Statement of the Cash Flows for the year ended on that date.

For P. C. GHADIALI & CO.
Chartered Accountants

(PANKAJ C. GHADIALI)
PARTNER
Membership No, 31745

Mumbai
Dated: 25th August, 2009.

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of LAHOTI OVERSEAS LIMITED on the financial statements for the year ended 31st March, 2009]

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets until last year. Updating the register in respect of fixed assets purchased and sold during the year is in process.
- (b) The fixed assets of the company have been physically verified by the management at the end of the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, the company has disposed of a substantial part of fixed assets of Tirupur branch during the year. On the basis of our examination of the books and records of the company, and according to the information and explanations given to us, in our opinion, the disposal of the said part of the fixed assets has not affected the going concern status of the company.
2. (a) According to information and explanation given to us, the Company does not maintain any physical stock of goods, other than stock-in-transit, in respect of which confirmation have been obtained from the management.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The company has granted unsecured loans to two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 162.91 Lakhs.
- (b) No interest is charged on loan given to its subsidiary company viz. Lahoti Terra Knitfab Limited and G. Varadan Limited.
- (c) In respect of the aforesaid loans, there is no stipulation in respect of repayment of principal or interest.
- (d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- (e) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase and sale of inventory and fixed assets. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.



LAHOTI OVERSEAS LIMITED

8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
9. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including investor education and protection fund, income-tax, wealth tax, service tax, customs duty, and other material statutory dues as applicable, with the appropriate authorities. There are no undisputed dues as referred to above as at March 31, 2009 outstanding for period of more than six months from due date they become payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of income-tax as at 31st March, 2009 which have not been deposited on account of a dispute, are as follows -

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Dept.	Order u/s. 143 (3)	Rs.80,91,317/-	A.Y. 2003-04	Matter is pending before ITAT.(Appeal filed by Company)
Income Tax Dept.	Order u/s. 143 (3)	Rs.65,64,804/-	A.Y. 2004-05	Matter is pending before ITAT.(Appeal filed by Dept.)
Income Tax Dept.	Order u/s. 143 (3)	Rs.66,04,208/-	A.Y. 2005-06	Matter is pending before ITAT.(Appeal filed by Dept.)
Income Tax Dept.	Order u/s. 143 (3)	Rs.36,40,026/-	A.Y. 2006-07	Matter is pending before ITAT.(Appeal filed by Company)

10. The company has no accumulated losses as at 31st March, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of

- dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. 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. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the company.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For P. C. GHADIALI & CO.
Chartered Accountants

(PANKAJ C. GHADIALI)
PARTNER
Membership No, 31745

Place : Mumbai
Dated : 25th August, 2009

LAHOTI OVERSEAS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009



(Rs. in Lakhs)

	SCHEDULE	RUPEES	AS AT 31/03/2009 RUPEES	AS AT 31/03/2008 RUPEES
I. SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	"A"	584.59		584.59
b) Reserves & Surplus	"B"	4,092.88		4,078.85
			4,677.46	4,663.44
2. LOAN FUNDS				
Secured Loans	"C"	390.98		551.98
Unsecured Loan		-		-
			390.98	551.98
3. DEFERRED TAX LIABILITY				
			169.57	194.06
TOTAL FUNDS EMPLOYED			<u>5,238.01</u>	<u>5,409.48</u>
II. APPLICATION OF FUNDS				
1. FIXED ASSETS				
a) Gross Block	"D"	1,829.45		2,057.91
b) Less : Depreciation		(866.93)		(774.45)
c) Net Block			962.52	1,283.46
2. INVESTMENTS				
	"E"		969.71	810.30
3. CURRENT ASSETS, LOANS & ADVANCES				
a) Inventories	"F"	134.44		462.22
b) Sundry Debtors	"G"	2,350.87		2,555.66
c) Cash and Bank Balances	"H"	397.91		42.19
d) Loans and Advances	"I"	1,162.39		1,074.66
		4,045.61		4,134.74
LESS : CURRENT LIABILITIES AND PROVISIONS				
	"J"			
a) Liabilities		291.55		409.51
b) Provisions		448.29		409.51
		739.83		819.02
NET CURRENT ASSETS			3,305.78	3,315.72
4. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
			-	-
TOTAL ASSETS (NET)			<u>5,238.01</u>	<u>5,409.48</u>
NOTES TO ACCOUNTS	"P"			

Per our report attached of even date

For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANTS

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009

FOR & ON BEHALF OF THE BOARD

Managing Director Executive Director

Place : Mumbai
Dated : 25th August, 2009



(Rs. in Lakhs)

LAHOTI OVERSEAS LIMITED

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

	SCHEDULE	RUPEES	AS AT 31/03/2009 RUPEES	AS AT 31/03/2008 RUPEES
I. INCOME :				
Sales		14,844.77		19,856.67
Export Incentives		193.87		416.59
Sale of Power		145.44		179.08
Other Income	"K"	32.75		50.51
			15,216.83	20,502.86
II. EXPENDITURE:				
Cost of Sales	"L"	13,937.02		18,701.33
Office, Administrative and Selling Expenses	"M"	862.43		1,209.86
Interest and Finance Charges	"N"	59.82		123.13
Loss on Sale of Fixed Assets		89.82		-
Loss on Sale of Investments		10.27		-
Depreciation		133.26		172.80
			15,092.62	20,207.12
III. PROFIT BEFORE TAXATION			124.21	295.73
IV. PROVISION FOR TAXATION				
a) CURRENT TAX		50.17		60.03
b) DEFERRED TAX		(24.49)		(30.07)
c) FRINGE BENEFIT TAX		2.35		2.34
			28.04	32.30
V. PROFIT AFTER TAXATION			96.17	263.43
VI. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			2,766.75	2,618.58
VII. PRIOR PERIOD ADJUSTMENTS			(14.86)	-
EXCESS/ (SHORT) PROVISION			0.95	(10.57)
VIII. AMOUNT AVAILABLE FOR APPROPRIATION			2,849.02	2,871.44
IX. APPROPRIATIONS				
a) General Reserve		-		22.18
b) Final Dividend		58.77		70.52
c) Corporate Dividend Tax		9.99		11.98
		68.75		104.68
Less :				
a) Excess provision for Dividend		0.37		-
			68.38	104.68
X. BALANCE CARRIED TO BALANCE SHEET	"O"		2,780.63	2,766.75
XI. NOTES TO ACCOUNTS				
XII. EARNING PER SHARE				
BASIC EARNINGS PER SHARE (IN RS.)			0.33	0.99
DILUTED EARNINGS PER SHARE (IN RS.)			-	-
FACE VALUE PER SHARE (IN RS.)			2.00	2.00

Per our report attached of even date

For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANTS

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009

FOR & ON BEHALF OF THE BOARD

Managing Director Executive Director

Place : Mumbai
Dated : 25th August, 2009

LAHOTI OVERSEAS LIMITED

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



(Rs. in Lakhs)

PARTICULARS	AS AT 31/03/2009 RUPEES	PREVIOUS 31/03/2008 RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items	124.20	295.73
Add : Interest (NET)	25.89	74.06
Depreciation	133.26	172.80
(Profit)/Loss on sale / Redemption of Investments	10.47	(32.21)
(Profit)/Loss on sale of Fixed Asset	89.82	(6.50)
Dividend Received	(21.52)	(2.50)
Assignment of Keyman Insurance Policy	-	-
	<u>237.91</u>	<u>205.66</u>
Operating profit before working Capital	362.11	501.39
(Increase)/Decrease in Inventories	327.78	(159.70)
(Increase)/Decrease in Trade & Other Receivable	179.61	(19.73)
Increase/(Decrease) Current Liabilities & Provision	(129.00)	(281.34)
	<u>378.39</u>	<u>(141.37)</u>
Cash Generated from Operations	740.49	(360.01)
Interest paid	(28.23)	(75.39)
Tax paid	(62.53)	(54.97)
	<u>(90.77)</u>	<u>(130.35)</u>
Cash Flow Before Extraordinary Items	649.73	229.66
Extra ordinary Items / Adjustments / Prior period items	(14.86)	(10.57)
	<u>634.87</u>	<u>219.09</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(18.45)	(315.22)
Purchase of Investment	(3,966.03)	(1,385.99)
Interest Received	2.35	1.33
Dividend Received	21.52	2.50
Sale of Fixed Asset	116.33	964.65
Sale of Investment	3,796.16	108.36
	<u>(48.12)</u>	<u>(624.38)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	-	85.00
Dividend paid	(70.15)	-
Share Premium	-	(425.00)
Calls in arrear (Premium) adjusted against dividend	0.14	-
Increase/(Decrease) In Secured Loans	(161.01)	(282.59)
	<u>231.02</u>	<u>227.41</u>
Net cash From Financing Activities	231.02	227.41
Net Increase in Cash and Cash Equivalents (A+B+C)	355.72	(177.88)
Cash and Cash Equivalents (OPENING BALANCE)	42.19	220.08
Cash and Cash Equivalents (CLOSING BALANCE)	<u>397.91</u>	<u>42.19</u>
	<u>355.72</u>	<u>(177.88)</u>

For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANTS

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009

FOR & ON BEHALF OF THE BOARD

Managing Director Executive Director

Place : Mumbai
Dated : 25th August, 2009



(Rs. in Lakhs)

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2009

	AS AT 31/03/2009 RUPEES	AS AT 31/03/2008 RUPEES
SCHEDULE A :		
SHARE CAPITAL		
<u>AUTHORISED</u>		
60,00,000 Equity Shares of Rs.10 each	<u>600.00</u>	<u>600.00</u>
<u>ISSUED, SUBSCRIBED AND PAID-UP</u>		
29,382,500 Equity Shares of Rs.2 /- each		
(Previous Year 29,382,500 Equity Shares of Rs.2 each)	587.65	502.65
Less : Calls in Arrears	(3.06)	(3.06)
TOTAL	<u>584.59</u>	<u>484.59</u>
SCHEDULE B :		
RESERVES AND SURPLUS		
<u>SHARE PREMIUM</u>		
Opening Balance	916.48	491.48
Add : Shares issued during the year	-	425.00
	916.48	916.48
Less : Calls In Arrears	(2.53)	(2.67)
	<u>913.95</u>	<u>913.81</u>
<u>GENERAL RESERVE</u>		
Opening Balance	398.30	376.12
Add : Amount transferred from Profit and Loss Account	-	22.18
	<u>398.30</u>	<u>398.30</u>
<u>PROFIT AND LOSS ACCOUNT</u>		
Balance in Profit and Loss Account	2,780.63	2,766.75
	<u>2,780.30</u>	<u>2,766.75</u>
TOTAL	<u>4,092.88</u>	<u>3,078.85</u>
SCHEDULE C :		
SECURED LOANS		
P.C.F.C. From Banks	390.90	426.98
(Secured against hypothecation of book debts and stock of Cotton Yarn meant for exports)		
Advance Against Documents- PNB	-	125.00
(Secured by export bills accompanied by Bills of Lading or bills of any kind covering consignment of goods\documents of title to goods)		
TOTAL	<u>390.98</u>	<u>551.98</u>

**SCHEDULE D :
FIXED ASSETS**

(Rs. in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	RATE	As at 1.4.08	Addition	Deduction	As at 31.3.09	As at 1.4.08	For the Year	Deduction	As at 31.3.09	As at 31.3.09	As at 31.3.08
Land	-	72.44	-	-	72.44	-	-	-	-	72.44	72.44
Building	5.00%	467.79	-	-	467.79	112.12	17.78	-	129.90	337.89	355.67
Plant & Machinery	13.91%	227.78	6.09	199.82	34.04	34.75	11.03	32.62	13.16	20.88	193.03
Furniture & Fixtures	18.10%	120.84	3.02	44.84	79.02	53.74	7.90	7.56	54.08	24.95	67.10
Motor Car	25.89%	81.42	6.68	2.25	85.85	52.71	7.52	0.59	59.64	26.21	28.71
Computers	40.00%	28.77	2.67	-	31.44	23.45	2.99	-	26.45	4.99	5.32
Total (A)		999.04	18.45	246.91	770.57	276.77	47.23	40.78	283.22	487.35	722.26
Wind Power Division											
Plant & Machinery	15.33%	1,058.88	-	-	1,058.88	497.68	86.03	-	583.71	475.17	561.20
Total (B)		1,058.88	-	-	1,058.88	497.68	86.03	-	583.71	475.17	561.20
Total As On 31.03.2009		2,057.91	18.45	246.91	1,829.45	774.45	133.26	40.78	866.93	962.52	1,283.46
Total As On 31.03.2008		1,924.95	315.22	182.26	2,057.91	601.65	172.80	-	774.45	1,283.46	-





(Rs. in Lakhs)

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2009

PARTICULARS	NO. OF SHARES	AS AT 31/03/2009 RUPEES	AS AT 31/03/2008 RUPEES
SCHEDULE E :			
INVESTMENTS (AT COST)			
A) EQUITY SHARES (Quoted)			
1 Emami Limited (Previous year - 2200 shares of Rs. 2 each)	2,200	1.54	1.54
2 Jet Airways Limited (Previous year - 356 shares of Rs. 10 each)	356	3.92	3.92
3 TCS Limited (Previous year - 574 shares of Rs. 1 each)	1,148	2.44	2.44
4 Punjab National Bank (Previous year - 3943 shares of Rs. 10 each)	3,943	4.61	4.61
5 Union Bank Ltd (Previous year - 2,900 shares of Rs. 10 each)	2,900	0.46	0.46
6 Comfort Intech Limited (Formerly Comfort Fininvest Limited) (Previous year - 1,31,500 shares of Rs. 10 each)	131,500	23.62	23.62
7 L.G.Balkrishna Ltd (Previous year - 1,000 shares of Rs. 1 each)	1,000	0.02	0.04
8 Bank of India (Previous year-900 shares of Rs. 10 each)	900	0.41	0.41
9 Cadila Health Care Limited (Previous year - 1200 shares of Rs. 10 each)	1,200	1.49	1.50
10 FCS Software Ltd. (Previous year - 741 shares of Rs. 10 each)	741	0.37	0.37
11 GSPL Ltd. (Previous year - 2253 shares of Rs. 10 each)	2,253	0.61	0.61
12 Reliance Petroleum Ltd (Previous year - 2778 shares of Rs. 10 each)	2,778	1.67	1.67
13 LGB Forge Limited (Previous year - NIL)	1,000	0.02	-
14 Zydus Wellness Limited (Previous year - NIL)	320	0.01	-
(Aggregate Market Value of Quoted Investment -Rs. 67,92,943 /-) (Previous Year Rs 67,16,516/-)		41.18	41.18
(A)		41.18	41.18
B) EQUITY SHARES (Unquoted)			
Web Source Tech. Limited.	50,000	50.00	50.00
(B)		50.00	50.00

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2009



(Rs. in Lakhs)

PARTICULARS	NO. OF SHARES	AS AT 31/03/2009 RUPEES	AS AT 31/03/2008 RUPEES
C) INVESTMENT IN SUBSIDIARY COMPANY (Unquoted)			
G.Varadan Limited (Previous year - 5,000 shares of Rs. 100 each)	5,000	47.60	47.60
Lahoti Terra Knitfab Limited (Previous year - 2,62,799 shares of Rs. 100 each)	487,600	558.36	537.19
Share Application Money Receivable - Lahoti Terra Knitfab Ltd. (Previous year - NIL)		-	66.81
Lahoti Spintex Ltd. (Previous year - 5,000 shares of Rs. 100 each)	50,000	5.00	5.00
(C)	NO. OF UNITS	<u>610.96</u>	<u>656.60</u>
D) UNITS OF MUTUAL FUNDS			
Fidelity India Situations Fund (Previous Year - 2,44,498.778 units of Rs. 10 each)	244,498.78	25.00	25.00
Reliance Liquid Fund (Previous Year - 9222.847 units of Rs. 10 each)	-	-	0.95
AIG Fixed Maturity Plan-I Series-I (Previous Year - NIL)	10,000.000	100.00	-
DSPBR G-Sec.Plan-A -Monthly Div. (Previous Year - NIL)	855,840.435	95.00	-
HSBC Equity Fund (Previous Year NIL)	9,771.303	6.00	-
Reliance Growth Fund (Previous Year NIL)	2,258.588	5.00	-
(Aggregate market value Rs. 2,21,26,070/-) (Previous Year Rs.54,39,165/-)			
(D)		<u>231.00</u>	<u>25.95</u>
E) INVESTMENT IN PROPERTY			
Flat		25.38	25.38
Plot of land		11.00	11.00
(E)		<u>36.38</u>	<u>36.38</u>
F) INVESTMENT (OTHERS)			
National Saving Certificates (WIND POWER)		0.20	0.20
(F)		<u>0.20</u>	<u>0.20</u>
TOTAL (A+B+C+D+E+F)		<u><u>969.71</u></u>	<u><u>810.30</u></u>
SCHEDULE F :			
INVENTORIES			
Stock in Transit :			
(As per inventories valued and certified by Managing Director)			
(Valued at lower of cost or Net realisable value)		134.44	462.22
TOTAL		<u><u>134.44</u></u>	<u><u>462.22</u></u>



(Rs. in Lakhs)

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2009

PARTICULARS	AS AT	AS AT
	31/03/2009 RUPEES	31/03/2008 RUPEES
SCHEDULE G :		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for a period		
exceeding six months	18.37	9.77
Other Debts	<u>2,332</u>	<u>2,545.89</u>
	2,350.87	2,555.66
TOTAL	<u><u>2,350.87</u></u>	<u><u>2,555.66</u></u>
SCHEDULE H :		
CASH AND BANK BALANCES		
A Cash on hand	4.15	3.56
B Balance with Scheduled Banks in :		
Current Account	387.77	33.80
Fixed Deposit Account	<u>5.99</u>	<u>4.83</u>
	393.76	38.63
TOTAL	<u><u>397.91</u></u>	<u><u>42.19</u></u>
SCHEDULE I :		
LOANS AND ADVANCES		
(Unsecured , Considered Good)		
A <u>Loans</u>		
Body Corporate	178.69	15.88
Others	8.18	8.18
Employees	<u>4.64</u>	<u>6.03</u>
	191.51	30.09
B <u>Advances</u>		
Advance Tax Paid & TDS	538.02	476.28
Sundry Deposits	62.05	78.40
Advance Recoverable in cash or in kind or for value to be received	<u>370.81</u>	<u>489.89</u>
	970.88	1,044.57
TOTAL	<u><u>1,162.39</u></u>	<u><u>1,074.66</u></u>

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2009



(Rs. in Lakhs)

PARTICULARS	AS AT 31/03/2009 RUPEES	AS AT 31/03/2008 RUPEES
SCHEDULE J :		
CURRENT LIABILITIES AND PROVISIONS		
A LIABILITIES		
Sundry Creditors		
For goods	58.30	106.81
For Commission	61.39	68.02
For Expenses	34.54	102.31
For Capital Goods	53.97	52.38
	<u>208.21</u>	<u>329.52</u>
Other Current Liabilities	83.34	79.99
	<u>291.55</u>	<u>409.51</u>
B PROVISIONS		
Provision for Taxation	379.53	327.01
Proposed Dividend	58.77	70.52
Corporate Dividend Tax	9.99	11.98
	<u>448.29</u>	<u>409.51</u>
TOTAL	<u>739.83</u>	<u>819.02</u>
SCHEDULE K :		
OTHER INCOME		
Commission	0.87	-
Exchange Rate Gain	-	2.08
Dividend Received	21.52	2.50
Rent Received	5.31	4.46
Forward Contract Premium	2.03	-
Interest Received	1.49	1.33
Interest Received (Coimbatore Br.)	0.86	-
Miscellaneous Receipt	0.01	0.00
Insurance Claim Received	0.37	0.93
Profit on sale of Investments	-	32.21
Profit on sale of Fixed Asset	-	6.50
Sundry Balance Written Back	0.09	0.51
VAT Tax Written Back	0.20	-
TOTAL	<u>32.75</u>	<u>50.51</u>
SCHEDULE L :		
COST OF SALES		
Opening Stock	462.22	621.92
Add: Purchases & Other Direct Expenses	13,609.24	18,541.63
	<u>14,071.46</u>	<u>19,163.55</u>
Less : Closing Stock	(134.44)	(462.22)
TOTAL	<u>13,937.02</u>	<u>18,701.33</u>

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2009



(Rs. in Lakhs)

PARTICULARS	AS AT	AS AT
	31/03/2009	31/03/2008
	RUPEES	RUPEES
SCHEDULE M :		
OFFICE, ADMINISTRATION AND SELLING EXPENSES		
Ocean Freight	235.59	410.32
Freight & Demurrage	196.49	312.97
Premium for Keyman Policy	13.08	12.82
Salaries and Other Benefits	96.80	106.79
Conveyance & Travelling	35.39	43.03
Overseas Commission	78.57	53.07
Bad Debt	11.96	-
Advertisement Expenses	0.96	1.24
Legal and Professional Charges	16.33	13.85
Postage and Telephone Charges	17.99	25.69
Rent, Rates and Taxes	41.84	15.99
Directors' Remuneration	14.40	14.40
Sales Promotion	11.57	33.85
Office & General Expenses	33.26	65.58
Insurance Premium	7.24	45.83
Local Commission	12.91	11.66
Motor Car Expenses	6.20	5.12
Repairs & Maintenance	14.15	17.95
Electricity Charges	8.03	4.94
Port Fees	0.08	2.61
Printing and Stationary	3.13	5.54
Guest House Expenses	3.89	5.06
Auditor's Remuneration	2.48	1.35
Donation	0.11	0.12
Brokerage	-	0.10
TOTAL	862.43	1,209.86

SCHEDULE N :

INTEREST AND FINANCE CHARGES

Bank Charges and Commission	31.59	47.74
Bank Interest	28.23	75.39
TOTAL	59.82	123.13



SCHEDULE "O": -

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009

1. **SIGNIFICANT ACCOUNTING POLICIES** adopted by the Company in preparation of the Accounts:

A. BASIS OF ACCOUNTING:

The Financial Statements are prepared under historical cost convention, in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956, as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis. The preparation of financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period.

B. FIXED ASSETS:

Fixed Assets are stated at cost of acquisition and/or construction. They are stated at historical cost less accumulated depreciation.

C. DEPRECIATION:

- i) Depreciation on fixed assets is provided on written down value method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Ministry of company Affairs.
- ii) Depreciation on assets acquired/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

D. REVENUE RECOGNITION:

EXPORTS:

- i) Sales of goods are recognized on shipment or dispatch to the customer net of sales return.
- ii) Dividend income from Investments is recognized when the company's right to receive payment is established.
- iii) Interest income is recognized on the time proportion basis taking into account the amount outstanding and the rate applicable.

WIND POWER:

Income from sale of power is recognized on per Kilo Watt Hour(s).

TRADING:

Income from trading is recognized on accrual basis.

E. INVESTMENTS:

All the securities are held on Long Term basis. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

F. INVENTORIES:

Inventories are value at lower of cost or net realizable value.



G. FOREIGN CURRENCY TRANSACTION:

- i) **Initial Recognition:** Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- ii) **Conversion:** At the year-end, monetary items in foreign currencies, other than those covered by forward contracts, are converted into rupee equivalents at the year end exchange rates.
- iii) **Exchange Differences:** All exchange differences arising on settlement and conversions on foreign currency transactions are included in the Profit and Loss Account.
- iv) **Forward Exchange Contracts:** In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the reporting date is recognized as expense.

H. RETIREMENT BENEFITS:

- i) **Provident Fund:** The Company's contributions towards provident fund are charged to the Profit and Loss Account.
- ii) **Gratuity:** The Company's contributions towards gratuity are charged to the Profit and Loss Account on the basis of actuarial valuation.
- iii) **Leave Encashment:** Provision is made for value of unutilized leave due to employees at the end of the year.

I. SEGMENT REPORTING:

Segment information has been presented on the basis of consolidated financial statements as permitted by Accounting Standard 17 on Segment Reporting issued by The Institute of Chartered Accountants of India.

J. TAXATION:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961. Deferred tax is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period in accordance with AS 22- Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India. Consequent to the introduction of Fringe Benefit Tax (FBT) effective 1 April, 2005, in accordance with the guidance note on accounting for fringe benefits tax issued by the ICAI, the Company has made provision for FBT.

K. EXPORT INCENTIVE:

Export benefits under duty entitlement passbook and duty drawback are accounted on accrual basis to the extent considered receivable.

2. DISCLOSURE OF DISCONTINUED OPERATIONS OF MANUFACTURING UNIT OF READYMADE GARMENTS AT TIRUPUR

- i) During the year, the enterprise has discontinued operation of Garment manufacturing unit at Tirupur branch.
- ii) Through Postal Ballot Dated 21/03/2009, it is resolved to dispose of all the major fixed asset of the manufacturing unit.
- iii) The manufacturing unit has discontinued operations before the year end.
- iv) During the year, the total revenue of manufacturing unit was Rs.231.83 lakhs and total expenses are Rs. 345.79 lacs (excluding loss on sale of fixed assets of Rs. 89.82 Lakhs).

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2009



v) The pre-tax loss from the ordinary activities is Rs. 113.96 lakhs during the current financial year.

vi) Net amount of cash flow from Discontinuing unit is as follows ;

Cash outflow from Operating Activates : Rs. 19.66 lakhs.

Cash inflow from Investing Activates : Rs. 106.62 lakhs.

Cash outflow from Financing Activities : Rs. 81.38 lakhs.

Increase in Cash & Cash Equivalent : Rs. 5.58 lakhs.

3. In the opinion of Directors, Current Assets, Loans and Advances have the value at which these are stated in the Balance Sheet, if realized in the ordinary Course of business and the provision for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.

4. Contingent Liabilities:

The Bills discounted which are outstanding as on 31st March, 2009 is Rs. 1,23,81,884/-.

5. Expenditure in foreign currency:

Foreign Bank Charges	: Rs. 13.63 Lakhs
Foreign Traveling Expenses	: Rs. 09.51 Lakhs
Overseas Commission	: Rs. 78.57 Lakhs

6. Earning in Foreign Exchange:

FOB value: Rs. 14,420.15 Lakhs (this includes realized on account of third party exports)

7. Auditor's Remuneration:

(Rs. in Lakhs)

	Current Year	Previous Year
Audit fees	1.38	0.97
Tax Audit Fees	0.28	0.16
Tax Matters	0.22	0.11
Certification Charges	0.11	0.10
Other Charges	0.49	0.00

8. Directors' Remuneration:

(Rs. in Lakhs)

	Current Year	Previous Year
Salaries	Rs. 14.40 Lakhs	Rs. 14.40 Lakhs
Commission on Profits	NIL	NIL
Perquisites	NIL	NIL

9. As per confirmation received from the management, there has been no delay in payments of dues to small-scale industry suppliers and no amount is payable to them at year end.

10. The Management is of the view of that the fixed assets of the Company are capable of generating adequate returns over their useful lives in the course of business. Therefore the assets are not impaired and do not call for providing any loss.



LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2009

11. Particulars in respect of opening stock, purchases, closing stock and sales of goods traded during the period ended on 31st March 2009:

(Amount. in Lakhs)

PARTICULARS	UNIT OF MEASUREMENT	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
		QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE
		(Kgs./Meters)	(Rs.)	(Kgs./Meter)	(Rs.)	(Kgs./Meters)	(Rs.)	(Kgs./Meters)	(Rs.)
Yarns	Meters	2,69,030.16 (4,84,999.82)	403.50 (448.22)	1,23,83,604.71 (1,65,05,614.91)	13,259.77 (15,723.39)	1,25,12,453.03 (1,67,21,924.47)	14,453.96 (16,835.57)	1,40,181.84 (2,69,030.16)	134.44 (403.50)
Fabrics	Meters	- (-)	- (-)	1,85,491.16 (-)	189.35 (-)	1,85,491.16 (-)	218.87 (-)	- (-)	- (-)
Cotton	Kgs.	- (-)	- (-)	46,369.50 (15,61,623.90)	28.95 (878.75)	46,369.50 (15,61,623.90)	32.32 (975.69)	- (-)	- (-)
Paper	Kgs.	1,78,700.60 (5,49,206.59)	58.72 (173.70)	52,719.00 (36,32,321.10)	14.02 (1,061.11)	216,414.01 (39,62,397.64)	77.19 (1,462.26)	- (1,78,700.60)	(-) (58.72)
Paper Scap	Kgs.	- (-)	- (-)	- (-)	- (-)	15,005.66 (-)	- (-)	- (-)	- (-)

12. Related Party Disclosure: -

The Company has identified following parties for the purpose of Related Party Disclosure: -

- a. Subsidiary Companies:

	Perc.
Lahoti Spintex Limited	100%
G. Varadan Limited	100%
- b. Associate Companies:

	Perc.
Lahoti Terra Knitfab Limited	48.93%
- c. Related Companies / Firm:
 - PS Ware Information Private Limited
 - Sri Laxmi Exports
 - Kirti Stock Brokers (P) Ltd.
 - Bauble Investment Pvt. Ltd.
- d. Key Management Personnel:
 1. Shri Umesh R. Lahoti - Managing Director
 2. Shri Ujjwal R Lahoti - Executive Director

(Rs in Lakhs)

Nature of Transaction	Lahoti Terra Knitfab Ltd (Associates)	PS Ware Information Pvt. Ltd. (Related Company)	Key Management Personnel	Total
Loan Repaid	-	-	-	-
Loan Given	162.81	-	-	162.81
Rent Paid	-	1.20	-	1.20
Remuneration Paid	-	-	14.40	14.40

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2009



During the year, there is reduction of shareholding in Lahoti Terra Knitfab Limited which was Subsidiary in the previous year now considered as associate company. An investment in associate is now accounted in consolidated financial statements under the equity method in accordance with Accounting Standard (AS) 23- "Accounting for Investments in Associates in Consolidated Financial Statements".

13. Earning Per Share:

	As At 31.03.2009	As At 31.03.2008
COMPUTATION OF BASIC EARNING PER SHARE		
1. Net profit available for Equity shareholders (Rs in Lakhs)	96.17	263.43
2. Number equity shares for basic Earning Per Share	2,92,29,293	2,66,66,223
3. Basic Earning Per Share (in Rs)	0.33	0.99
4. Face value per share	Rs.2/-	Rs. 2/-

14. Deferred Tax :

The deferred tax asset as at 31st March 2009 comprise of the following:-

(Rs in Lakhs)

	2008-2009	2007-2008
Deferred Tax Liability: -		
Leave Salary	0.42	1.27
Gratuity	0.94	0.10
Deferred Tax Asset: -		
Depreciation difference	22.64	31.44
Disallowance of Liability U/s. 40a(ia)	3.21	-
Net Deferred Tax Asset / (Liability)	24.49	30.07

SIGNATURES TO THE SCHEDULES "A to N" AND NOTES TO ACCOUNT "O"

Per our report attached of even date

For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANTS

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009

FOR & ON BEHALF OF THE BOARD

Managing Director **Executive Director**

Place : Mumbai
Dated : 25th August, 2009



Additional information as required under Part IV of Schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE

1) Company's Registration Details

Registration No.	:	11-87643
State Code	:	11
Balance Sheet Date	:	31-Mar-09

2) Capital Raised During the year

(Amounts in Rs. Thousands)

Public Issue	:	NIL
Preferential Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

3) Position of Mobilization and Deployment of Funds

(Amounts in Rs. Thousands)

Total Liabilities	:	523,801
Total Assets	:	523,801

Sources of Funds

Paid up Capital	:	58,459
Reserves & Surplus	:	409,288
Secured Loans	:	39,098
Unsecured Loans	:	-
Deferred Tax Liability	:	16,957

Application of Funds

Net Fixed Assets	:	96,252
Investments	:	96,971
Net Current Assets	:	330,578
Misc. Expenditure	:	-

4) Performance of Company

(Amounts in Rs. Thousands)

Turnover	:	1,521,683
Total Expenditure	:	1,509,262
Profit Before Tax	:	12,421
Profit After Tax	:	9,617
Earnings Per Share in Rs. (Annualized)	:	0.33
Dividend Rate %	:	10%

5) Generic names of Three Principal Products/Services of the Company (as per Monetary Terms)

Item Code	:	520300
Product Description	:	Trading in Yarn, Fabric & Raw Cotton

6) Figures of previous year have been regrouped / recast wherever necessary.

Per our report attached of even date

For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANTS

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009

FOR & ON BEHALF OF THE BOARD

Managing Director Executive Director

Place : Mumbai
Dated : 25th August, 2009



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES.

Name of Subsidiary Company	Lahoti Spintex Limited	G. Varadan Limited
1. The financial year of the subsidiary companies ended on	31st March, 2009	31st March, 2009
2. A. Number of Shares held by Lahoti Overseas Limited with its nominees in the subsidiaries at the end of the financial year of the subsidiary companies	50,000 Equity Shares of Rs.10/- each.	5,000 Equity Shares of Rs. 100/- each
B. Extent of interest of holding company at the end of the financial year of the subsidiary companies	100%	100%
3. The net aggregate amount of the subsidiary companies profit/(loss) so far as it concerns the members of the holding company		
a. Not dealt with in the holding company's accounts		
i) For the financial year ended 31st March, 2009	NIL	Rs. (4,4607)
ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiaries.	NIL	Rs. 4,17,769.00
b Dealt with in holding company's accounts:		
i) For the financial year ended 31st March, 2009	NIL	NIL
ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiaries.	NIL	NIL

FOR & ON BEHALF OF THE BOARD

Mumbai
Dated : 25th August, 2009

Managing Director

Executive Director

DIRECTOR'S REPORT

To The Members,

Your directors have pleasure in presenting their **Forty Ninth Annual Report** in respect of the affairs of the company.

1. Accounts:

The Directors herewith present the Annual accounts of the company for the year ended 31st March, 2009 together with Auditor's report.

2. Financial Results:

	2008-2009 Rs.	2007-2008 Rs.
Profit Before Tax	(4,647)	(61,225)
Less: Provision for Taxation		
Current Tax	Nil	Nil
Deferred Tax	(47)	(37)
Profit After Tax	(4,607)	(61,188)
Add: Balance B/F from Previous Year	4,17,769	4,78,958
Balance Carried to Balance Sheet	<u>4,13,163</u>	<u>4,17,769</u>

Your directors are hopeful of achieving better results during the current year.

3. Dividend:

No dividend was recommended for the financial year 2008-2009.

4. Directors :

Mr. Umesh R. Lahoti retire by rotation and being eligible offers himself for re-appointment which is recommended to the members of the company.

5. Particulars Regarding Employees:

There was no employee who was either in receipt of remuneration aggregating to Rs. 24,00,000/- or more per annum if employed throughout the year or Rs. 2,00,000/- or more per month if employed for a part of the year.

6. Auditors:

M/s. P. C. Ghadiali & Co., Chartered Accountants, Mumbai the Auditors of The Company, will retire at the

conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

7. Information Pursuant to Section 217(1)(e):

Information pursuant to section 217(1)(e) regarding energy conservation is not applicable to the company.

Foreign Exchange Earnings : Rs. Nil (P.Y. Rs. Nil)

Foreign Exchange Expenditure : Rs. Nil (P.Y. Rs. Nil)

8. Directors' Responsibility Statement U/S. 217(2AA):

The Board of Directors Report:

- i) That in The Preparation of Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii) That The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- iii) That The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That The Directors had prepared the annual accounts on a going concern basis.

FOR & ON BEHALF OF THE BOARD

Director

Director

Place : Mumbai.

Date : 25th August, 2009

AUDITORS' REPORT TO THE MEMBERS OF G. VARADAN LIMITED

We have audited the attached Balance Sheet of G. VARADAN LIMITED, as at 31st March, 2009 and also the Profit and 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.

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.

This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order (Amendment), 2004 issued by the Department of Company Affairs, in terms of section 227(4A) of the Companies Act, 1956, since in our opinion and according to the information and explanation given to us, the said Order is not applicable to the company.

As required by the Companies (Auditor's Report) Order (Amendment), 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 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.

1. 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, the company has kept proper books of account as required by law 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 and dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
and
 - ii. in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.

For P. C. GHADIALI & CO.
Chartered Accountants
(PANKAJ GHADIALI)
PARTNER
Membership NO. 31745

Place : Mumbai.
Date : 25th August, 2009

**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF
G. VARADAN LIMITED**

ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

(Referred to in Paragraph 1 thereof)

- (i) The nature of the Company's activities during the year are such that clause (i)(c), (ii), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of the CARO are not applicable.
- (ii) In respect of its Fixed Assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details & situation of Fixed Assets.
- b) Most of Fixed Assets were physically verified during the year by management in accordance with a program of verification, which, in our opinion provides for physical verification of all Fixed Assets at reasonable intervals. According to information and explanation given to us, no material discrepancies were noticed on such verification
- (iii) The company has taken a unsecured loan in the previous year of Rs. 0.10 Lakhs from the holding company which is not prejudice to the interest of the company.
- (iv) According to the information and explanation 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 sale of goods. Further according to information and explanations to us and as per the checking carried out in accordance with the auditing standards generally accepted in India, neither we have observed nor we have been reported for any continuing failure to correct major weakness in internal control system
- (v) (v) To the best of our knowledge and belief and according to the information & explanation given to us, no fraud on or by the company was noticed or reported during the year.

For P. C. GHADIALI & CO.

Chartered Accountants

(PANKAJ GHADIALI)

PARTNER

Membership Number 31745

Place : Mumbai.

Date : August 25, 2009

G. VARADAN LIMITED

BALANCE SHEET AS AT MARCH 31, 2009



	SCHEDULE	RUPEES	AS AT 31/03/2009 RUPEES	AS AT 31/03/2008 RUPEES
I. SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
Share Capital	A		500,000	500,000
Reserves & Surplus	B		413,163	417,769
2. LOAN FUNDS				
Unsecured Loan	C		10,000	10,000
3. DEFERRED TAX LIABILITY				
			1,855	1,895
TOTAL FUNDS EMPLOYED			925,018	929,664
II. APPLICATION OF FUNDS				
1. FIXED ASSETS				
a) Gross Block	D	46,472		46,472
b) Less : Depreciation		<u>39,916</u>		<u>39,571</u>
c) Net Block			6,556	6,901
2. INVESTMENTS				
	E		460,750	460,750
3. CURRENT ASSETS, LOANS AND ADVANCES				
	F	490,870		495,337
LESS : CURRENT LIABILITIES AND PROVISIONS				
	G	<u>33,159</u>		<u>33,324</u>
NET CURRENT ASSETS			457,711	462,013
4. PROFIT AND LOSS ACCOUNT				
TOTAL ASSETS (NET)			925,017	929,664
NOTES TO ACCOUNTS	I			

Per our report attached of even date

For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANTS

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009

FOR & ON BEHALF OF THE BOARD

Managing Director Executive Director

Place : Mumbai
Dated : 25th August, 2009

G. VARADAN LIMITED

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



	SCHEDULE	RUPEES	AS AT 31/03/2009 RUPEES	AS AT 31/03/2008 RUPEES
I. INCOME				
Dividend Received		6,022		41,300
			6,022	41,300
II. EXPENDITURE				
Loss on sale of Units		—		80,749
Administrative, Selling and Other Expenses	H	10,324		21,413
Depreciation		345		363
			10,669	102,525
III. PROFIT FOR THE YEAR			(4,647)	(61,225)
IV. PROVISION FOR TAXATION				
(I) Current Tax		—		—
(II) Deferred Tax		(40)		(37)
			(40)	(37)
V. PROFIT/LOSS AFTER TAXATION			(4,607)	(61,188)
VI. BALANCE BROUGHT FORWARD				
FROM PREVIOUS YEAR			417,769	478,958
VIII. BALANCE CARRIED TO BALANCE SHEET			413,163	417,769
BASIC EARNINGS PER SHARE			(0.92)	(12.24)
DILUTED EARNINGS PER SHARE			—	—
FACE VALUE PER SHARE			100.00	100.00

NOTES TO ACCOUNTS

I

Per our report attached of even date

For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANTS

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009

FOR & ON BEHALF OF THE BOARD

Managing Director **Executive Director**

Place : Mumbai
Dated : 25th August, 2009

G. VARADAN LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009



PARTICULARS	AS AT 31/03/2009	AS AT 31/03/2008
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items	(4,647)	(61,225)
Add: Interest	-	-
Depreciation	345	363
(Profit)/Loss on Sale of Shares/Units	-	80,749
Dividend Received	(6,022)	(41,300)
	(5,677)	39,813
Operating profit before working Capital	(10,324)	(21,413)
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Trade & Other Receivable	-	-
Increase/(Decrease) Current Liabilities & Provision	(165)	6,646
	(165)	6,646
Cash Generated from Operations	(10,489)	(14,767)
	-	-
Cash Flow Before Extraordinary Items	(10,489)	(14,767)
Less: Extraordinary Items	-	(80,749)
Cash Flow After Extraordinary Items	(10,489)	(95,516)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investment	-	(460,750)
Sale of Investment	-	492,818
Dividend Received	6,022	41,300
Net Cash Used for Investing Activities	6,022	73,368
C CASH FLOW FROM FINANCING ACTIVITIES		
Net cash From Financing Activities	-	-
Net Increase in Cash and Cash Equivalents (A+B+C)	(4,467)	(22,149)
Cash and Cash Equivalents (OPENING BALANCE)	37,433	59,581
Cash and Cash Equivalents (CLOSING BALANCE)	32,966	37,433
	(4,467)	(22,149)

Per our report attached of even date

For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANTS

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009

FOR & ON BEHALF OF THE BOARD

Managing Director Executive Director

Place : Mumbai
Dated : 25th August, 2009

G. VARADAN LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009



	AS AT 31/03/2009 RUPEES	AS AT 31/03/2008 RUPEES
SCHEDULE A		
SHARE CAPITAL		
Authorised:		
5,000 Equity Share of Rs. 100 each (Previous year 5,000 Equity Shares of Rs.100 each)	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed & Paid-up :		
5,000 Equity Shares of Rs. 100 each fully paid-up (Previous year 5,000 Equity Shares of Rs.100 each)	<u>500,000</u>	<u>500,000</u>
PER BALANCE SHEET.....	<u>500,000</u>	<u>500,000</u>
SCHEDULE B		
RESERVES & SURPLUS		
PROFIT AND LOSS ACCOUNT		
Balance as per last year	417,769	478,957
Add/Less : Transfer from P&L Account	(4,607)	(61,188)
PER BALANCE SHEET.....	<u>413,162</u>	<u>417,769</u>
SCHEDULE C		
LOAN FUNDS		
UNSECURED LOAN		
From Company	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

SCHEDULE D

FIXED ASSETS

DESCRIPTION	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	As on 1.4.2008	As on 31.3.2009	As on 1.4.2008	For the Year	As On 31.3.2009	As on 31.3.2009	As on 31.3.2008
Office Premises	46.472	46.472	39,571	345	39,916	6,556	6,901
As at 31st March, 2009	46,472	46,472	39,571	345	39,916	6,556	6,901
As at 31st March, 2008	46,472	46,472	39,208	363	39,571	6,901	-

G. VARADAN LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2009



		AS AT 31/03/2009 RUPEES	AS AT 31/03/2008 RUPEES
SCHEDULE E			
INVESTMENTS	QTY.		
15 Shares of Rs. 50/- each fully paid in Arun Com. Premises Co-operative Society Limited		750	750
JM Basic Fund	8,345	250,000	250,000
Reliance Diversified Power Sector Fund - Dividend Plan	4,015	210,000	210,000
RLF Treasury Plan - Retail Option - Weekly dividend.	-	-	-
Sundaram Select Midcap	-	-	-
('Aggregate Market Value as on 31.03.2009 - Rs. 1,52,969/-)			
('Aggregate Market Value as on 31.03.2008 - Rs. 3,98,577/-)			
PER BALANCE SHEET.....		<u>460,750</u>	<u>460,750</u>
SCHEDULE F			
CURRENT ASSETS, LOANS AND ADVANCES			
CURRENT ASSETS			
1 Sundry Debtors (Unsecured, considered good) Debts outstanding for a period exceeding 6 months	<u>450,692</u>	450,692	<u>450,692</u>
2 Cash and Bank Balance		32,966	37,433
Cash on Hand	1,069		1,069
Bank in Current Account with Scheduled Bank	<u>31,897</u>		<u>36,364</u>
LOANS AND ADVANCES			
Advance recoverable in cash or kind or for value to be received		<u>7,212</u>	<u>7,212</u>
PER BALANCE SHEET.....		<u>490,870</u>	<u>495,337</u>
SCHEDULE G			
CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors for Expenses		<u>14,717</u>	<u>14,882</u>
		14,717	14,882
PROVISIONS			
For Taxation		<u>18,442</u>	<u>18,442</u>
PER BALANCE SHEET.....		<u>33,159</u>	<u>33,324</u>
SCHEDULE H			
ADMINISTRATIVE AND OTHER EXPENSES			
Filing Fees		1,500	1,200
Professional Tax		-	2,000
Security Transaction Tax.		-	809
Professional Charges		-	5,831
Auditor's Remuneration		8,824	11,511
PER PROFIT AND LOSS ACCOUNT.....		<u>10,324</u>	<u>21,351</u>

**SCHEDULE I:****NOTES TO ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009****I. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of preparation of financial statements**

a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting policies, and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

b) Accounting policies not specifically referred otherwise are in consistence with generally accepted accounting principles followed by the Company.

2. Basis of Accounting

All Income and Expenditure items having a material bearing on the financial statements are recognised on accrual system.

3. Taxation

Provision for taxation has been calculated in accordance with the Income Tax Laws and Rules prevailing at the time of the relevant assessment year.

II. DEFERRED TAX :

The deferred tax asset as at 31st March 2009 comprise of the following: -

	2008-2009	2007-2008
Deferred Tax Asset: -		
Depreciation difference	40.00	37.00

III. CONTINGENT LIABILITIES :

Claims against the Company not acknowledged as debts NIL.

IV. OTHER NOTES :

a) In the opinion of the Board of Directors, Current Assets, Loans and Advances have the value at which these are stated in the Balance Sheet, if realised in the ordinary course of business and the provisions for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.

b) Previous year's figures have been regrouped or rearranged or reclassified wherever necessary.

c) Balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmations.

SIGNATURES TO THE SCHEDULES "A to H" AND NOTES TO ACCOUNT "I"

Per our report attached of even date

For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANTS

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009

FOR & ON BEHALF OF THE BOARD

Director

Director

Place : Mumbai
Dated : 25th August, 2009

BALANCE SHEET ABSTRACT AND COMPANYS' GENERAL PROFILE

I. Companys' Registration Details

Registration No.	:	11,656
State Code	:	11
Balance Sheet Date	:	31.03.2009

II. Capital raised during the year

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	:	930
Total Assets	:	930

Sources of Funds

Paid-up Capital	:	500
Share Application Money	:	NIL
Reserves and Surplus	:	418
Secured Loans	:	NIL
Unsecured Loans	:	10
Deferred Tax Liability	:	2

Application of Funds

Net Fixed Assets	:	7
Investments	:	461
Net Current Assets	:	462
Miscellaneous expenditure	:	NIL

IV. Performance of Company

Turnover	:	41
Total expenditure	:	103
Loss before tax	:	(61)
Loss after tax	:	(61)
Earning Per Share in Rs.	:	(12)
Dividend rate %	:	NIL

V. Generic Names of Three Principal Products/Services of a Company

(As per Monetary Terms)

Product Description	:	Investments in Building and Property
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For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANTS

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009

FOR & ON BEHALF OF THE BOARD

Director

Director

Place : Mumbai
Dated : 25th August, 2009

DIRECTORS' REPORT

To the members,

Your directors have pleasure in presenting their **Second Annual Report** in respect of the affairs of the company.

1. Accounts:

The directors herewith present the annual accounts of the company for the year ended 31st March, 2009 together with Auditor's Report.

2. Financial Results:

	Amt. (Rs.)	
	2008-2009	2007-2008
PROFIT BEFORE TAX	NIL	NIL
LESS : PROVISION FOR TAXATION	NIL	NIL
CURRENT TAX	NIL	NIL
DEFERRED TAX	NIL	NIL
PROFIT AFTER TAX	NIL	NIL
ADD : BALANCE B/F FROM PREVIOUS YEAR	NIL	NIL
BALANCE CARRIED TO BALANCE SHEET	NIL	NIL

Your directors are hopeful of achieving better results during the current year.

3. Dividend:

No dividend was recommended for the financial year 2008-2009.

4. PARTICULARS REGARDING EMPLOYEES:

There was no employee who was either in receipt of remuneration aggregating to Rs.24,00,000/- or more per annum if employed throughout the year or Rs.2,00,000/- or more per month if employed for a part of the year.

5. AUDITORS:

Lahoti Navneet & Co., Chartered Accountants, Mumbai the auditors of the company, will retire at the conclusion of the ensuing annual general meeting and are eligible for re-appointment.

6. INFORMATION PURSUANT TO SECTION 217(1)(e):

Information Pursuant To Section 217(1)(E) Regarding Energy Conservation is not Applicable To The Company.

FOREIGN EXCHANGE EARNINGS	:	RS. NIL (P.Y. RS. NIL)
FOREIGN EXCHANGE EXPENDITURE	:	RS. NIL (P.Y. RS. NIL)

7. DIRECTORS' RESPONSIBILITY STATEMENT U/S. 217(2AA):

The board of directors report:

- That in the preparation of annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the directors had prepared the annual accounts on a going concern basis.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Director

Director

Place : Mumbai.

Date : 11th August, 2009



AUDITORS' REPORT

TO THE MEMBERS OF LAHOTI SPINTEX LIMITED

We have audited the attached Balance Sheet of **LAHOTI SPINTEX LIMITED** for the year ended as at 31st March, 2009. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. 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.

This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order (Amendment), 2004 issued by the Department of Company Affairs, in terms of section 227(4A) of the Companies Act, 1956, since in our opinion and according to the information and explanation given to us, the said Order is not applicable to the company.

As required by companies (Auditors Report) Order (Amendment), 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

Further to our comments on the Annexure referred to 1 above, we report that:-

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the those books;
- iii. The Balance Sheet dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet dealt with by this report comply with he Accounting Standards referred to in the sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of the written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.

For LAHOTI NAVNEET & CO.
CHARTERD ACCOUNTANTS

NAVNEET LAHOTI
PARTNER

Membership No.

Place : Mumbai.

Date : 11th August, 2009

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 of the Auditors Report to the Members of LAHOTI SPINTEX LIMITED on accounts for the year ended 31st March 2009.

1. The Company does not have any fixed assets and hence question of verification & disposal does not arise.
2. The Business Activity has not commenced therefore this clause(a) & (b) is not applicable.
3. (a) In respect of whether the company has either granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, if so, give the number of parties and amount involved in the transactions.

The company has granted loan to one party aggregating to Rs. 423,679/-
- (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the aforesaid loan are not prima facie prejudicial to the interest of the company.
- (c) In respect of the loan taken or given by the company, the same is repayable on demand and therefore the question of overdue amount does not arise.
- (d) Based on the information and explanations provided by the management and our comments in Clause 3(c) above, there is no overdue amount more than rupees one lakh of loans, taken by or granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company.
5. a) There is no transaction pursuance of Sec 301 of the Company Act 1956.
6. In our opinion, and according to the information and explanation given to us, the company has not accepted any deposits from public the directives issued by the Reserve Bank of India and the provisions of section 58-A and 58 AA of the Companies Act, 1956 and rules framed there under.
7. The Company does not have a Formal Internal Audit System However there are Adequate Internal Control commensurate with the size of the Company and nature of its business.
8. We are informed that the Central Government has not prescribed the Company to maintain cost records U/s. 209(1) (D) of the Companies Act 1956 for any of the products of the Company.
9. Business Activity has not commenced therefore this clause(a) & (b) is not applicable
10. Business Activity has not commenced therefore this clause not applicable.
11. The company has no borrowing hence question of regular in repayment of dues to financial Institution & Bank does not arise.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, Debentures and other securities.
13. The provision of any special statute is not applicable for the Company in respect of nidhi, chit fund, mutual benefits.
14. The company has not given any guarantee for loan taken by others from bank or Financial institutions the terms and conditions whereof are prejudicial to the interest to the company.
15. The company has not taken Term loan during the previous year.



16. The company has not raised any fund which are in the nature of short term basis and used for long term investment and vice versa.
17. The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act.
18. No debentures were issued during the year.
19. The company has not raised any money by way of Public issue.
20. No fraud on or by the company have been noticed or recorded during the year.

For LAHOTI NAVNEET & CO.
CHARTERD ACCOUNTANTS

NAVNEET LAHOTI
PARTNER
Membership No. 100529

Place : Mumbai.
Date : 11th August, 2009

LAHOTI SPINTEX LIMITED

BALANCE SHEET AS AT 31ST MARCH 2009



SCHEDULES

AS AT
31.03.2008
AMT. (Rs)

A SOURCES OF FUNDS

Shareholders' Funds

a. Share Capital	1	500,000	500,000
TOTAL		500,000	500,000

B APPLICATION OF FUNDS

1. Current Assets,

Loans and Advances

Current Assets

Cash & Bank Balance	2	42,340	42,340
Loans & Advances	3	<u>423,679</u>	<u>423,679</u>
		466,019	<u>466,019</u>

Less: Current Liabilities & Provisions

Current Liabilities	4	5,567	2,809
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NET CURRENT ASSETS

		460,452	463,210
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2. Miscellaneous Expenditure

(To the extent not written off or adjusted)

	5	39,548	36,790
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TOTAL

		<u>500,000</u>	<u>500,000</u>
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NOTES TO ACCOUNTS

6

As per our Report of even date attached

The Schedules referred to above &
Notes to Account form an integral
part of the Balance Sheet.

For LAHOTI NAVNEET & CO.
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD

NAVNEET LAHOTI

Director

Director

PARTNER
M.N. 100529

Place : Mumbai.
Date : 11th August, 2009

LAHOTI SPINTEX LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2009



PARTICULARS	AS AT 31.03.2009	(Amount in Rs.) AS AT 31.03.2008
SCHEDULE 1		
<u>SHARE CAPITAL</u>		
AUTHORISED SHARE CAPITAL		
50000 Equity shares of Rs.10/- each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
ISSUED AND SUBSCRIBED		
50000 Equity shares of Rs.10/- each fully paid up	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
SCHEDULE 2		
<u>CURRENT ASSETS</u>		
CASH & BANK BALANCES		
Balance with scheduled Bank	42,340	42,340
	<u>42,340</u>	<u>42,340</u>
SCHEDULE 3		
<u>CURRENT ASSETS, LOANS & ADVANCES</u>		
LOANS & ADVANCES		
To Bodies Corporate	423,679	423,679
	<u>423,679</u>	<u>423,679</u>
SCHEDULE 4		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
A) CURRENT LAIBILITIES		
Sundry Creditors : for Expenses	5,567	2,809
	<u>5,567</u>	<u>2,809</u>
SCHEDULE 5		
<u>MISCELLANEOUS EXPENSES</u>		
Preliminary Expenses	33,981	33,981
Pre Operative Expenes	5,567	2,809
	<u>39,548</u>	<u>36,790</u>



Additional information as required under Part IV of Schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE

1. Registration Details	:	
Registration No.	:	U17299MH2007PLC168316
State Code	:	11
Balance Sheet	:	31/03/2009
2. Capital Raised During the Year.	:	
Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	5,00,000
3. Position of Mobilization & deployment of fund	:	(Rs. In Thousand)
Total Liabilities	:	
Total Assets	:	
Sources of Funds	:	
Paid Up Capital	:	500.00
Reserve & Surplus	:	0.00
Secured Loans	:	0.00
Unsecured Loans	:	0.00
Net Deferred Tax Liability	:	0.00
Application of Funds.	:	
Net Fixed Assets	:	0.00
Investments	:	0.00
Net Current Assets	:	460.00
Miscellaneous Expenditure	:	40.00
Net Deferred Tax Assets	:	0.00
4. Performance of The Company	:	(Rs. In Thousand)
Turnover (Gross Receipts)	:	0.00
Total Expenditure	:	0.00
Profit / (Loss) Before Tax	:	0.00
Profit / (Loss) After Tax	:	0.00
Earnings Per Shares (In Rs.)	:	0.00
Dividend Rate Included Special	:	
On Preference Shares	:	NIL
On Equity Shares	:	NIL
5. Generic Names of the Principal Product	:	
Service of the Company	:	TEXTILE
(ITC Code)	:	
Production Description	:	

For LAHOTI NAVNEET & CO.
CHARTERED ACCOUNTANTS

NAVNEET LAHOTI
PARTNER
Membership No. 100529
Place : Mumbai.
Date : 11th August, 2009

FOR & ON BEHALF OF THE BOARD

Director

Director

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT OF LAHOTI OVERSEAS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **LAHOTI OVERSEAS LIMITED**, as at 31st March, 2009, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the 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 report that the consolidated financial statement have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 21-"Consolidated Financial Statements" and Accounting Standard 23-"Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountant of India, and on the basis of the separate audited financial statement of LAHOTI OVERSEAS LIMITED, its subsidiaries and associate included in the consolidated financial statement.
4. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further to our comments in the Annexure referred to in paragraph 3 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 Consolidated Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Consolidated Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the company as at 31st March, 2009;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For P. C. GHADIALI & CO
Chartered Accountants

(PANKAJ C. GHADIALI)
PARTNER

Place : Mumbai Membership No. 31745
Dated : 25th August, 2009.

LAHOTI OVERSEAS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009



(Rs. in Lakhs)

	SCHEDULE	AS AT 31/03/2009	AS AT 31/03/2008
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	"A"	584.59	584.59
b) Reserves & Surplus	"B"	4098.25	4447.34
		<u>4682.83</u>	<u>5031.92</u>
2. LOAN FUNDS			
Secured Loan	"C"	796.57	1334.44
3. DEFERRED TAX LIABILITY		169.60	194.09
TOTAL FUNDS EMPLOYED		<u><u>5649.00</u></u>	<u><u>6560.45</u></u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	"D"	2732.04	3760.63
b) Less : Depreciation		(867.88)	(775.79)
c) Net Block		<u>1864.18</u>	<u>2984.84</u>
2. INVESTMENTS	"E"	363.36	158.31
3. CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	"F"	134.44	462.22
b) Sundry Debtors	"G"	2355.37	2559.17
c) Cash and Bank Balances	"H"	401.73	53.47
d) Loans and Advances	"I"	1215.78	1198.07
		<u>4107.32</u>	<u>4272.93</u>
LESS : CURRENT LIABILITIES AND PROVISIONS	"J"		
a) Liabilities		324.12	511.20
b) Provisions		448.58	409.89
		<u>772.71</u>	<u>921.09</u>
NET CURRENT ASSETS		3334.62	3351.84
4. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	"K"	86.87	65.46
TOTAL ASSETS (NET)		<u><u>5649.00</u></u>	<u><u>6560.44</u></u>
NOTES TO ACCOUNTS	"P"		

Per our report attached of even date

For P. C. GHADIALI & CO.
Chartered Accountants

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009.

FOR & ON BEHALF OF THE BOARD

DIRECTORS

DIRECTORS

Place : Mumbai
Dated : 25th August, 2009.

LAHOTI OVERSEAS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2009



(Rs. in Lakhs)

	SCHEDULE	AS AT 31/03/2009	AS AT 31/03/2008
I. INCOME :			
Sales		14844.77	19856.67
Export Incentives		193.87	416.59
Sale of Power		145.44	179.08
Other Income	"L"	33.79	50.93
		15217.87	20503.27
II. EXPENDITURE:			
Cost of Sales	"M"	13937.02	18701.33
Office, Administrative and Selling Expenses	"N"	862.78	1210.88
Interest and Finance Charges	"O"	59.82	123.13
Loss on Sale of Fixed Assets		89.82	-
Loss on Sale of Investment		10.27	0.81
Depreciation		133.35	173.06
		15093.06	20209.20
III. PROFIT BEFORE TAXATION		124.80	294.07
IV. PROVISION FOR TAXATION			
a) CURRENT TAX		50.17	60.03
b) DEFERRED TAX		(24.48)	(30.09)
c) FRINGE BENEFIT TAX		2.37	2.53
		28.07	32.46
V. PROFIT AFTER TAXATION		96.73	261.60
VI. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		2771.56	2625.87
VIII. PRIOR PERIOD ADJUSTMENTS EXCESS/ (SHORT) PROVISION		(14.86)	(10.57)
		0.95	-
IX. AMOUNT AVAILABLE FOR APPROPRIATION		2854.38	2876.90
X. APPROPRIATIONS			
a) General Reserve		-	22.18
b) Final Dividend		58.77	70.52
c) Corporate Dividend Tax		9.99	11.98
		68.75	104.69
Less :			
a) Excess provision for Dividend		(0.37)	0.00
		68.38	104.69
XI. BALANCE CARRIED TO BALANCE SHEET		2786.00	2772.21
XII. NOTES TO ACCOUNTS	"P"		
XIII. EARNING PER SHARE			
BASIC EARNINGS PER SHARE (IN RS.)		0.33	0.85
DILUTED EARNINGS PER SHARE (IN RS.)		0.00	0.00
FACE VALUE PER SHARE (IN RS.)		2.00	2.00

Per our report attached of even date

For P. C. GHADIALI & CO.
Chartered Accountants

FOR & ON BEHALF OF THE BOARD

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

DIRECTORS

DIRECTORS

Place : Mumbai
Dated : 25th August, 2009.

Place : Mumbai
Dated : 25th August, 2009.

LAHOTI OVERSEAS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR
THE YEAR ENDED 31ST MARCH, 2009



(Rs. in Lakhs)

PARTICULARS	AS AT 31/03/2009	AS AT 31/03/2008
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items	124.79	294.13
Add: Interest (NET)	75.54	74.06
Depreciation	133.36	173.06
Loss on Sale / Redemption of Investments	10.47	(31.40)
Loss on sale of Fixed Asset	89.82	(6.50)
Dividend Received	(21.58)	(2.91)
	<u>287.59</u>	<u>206.31</u>
Operating profit before working Capital	412.38	500.43
(Increase)/Decrease in Inventories	327.78	159.70
(Increase)/Decrease in Trade & Other Receivable	105.27	(142.60)
Increase/(Decrease) Current Liabilities & Provision	(175.23)	(112.22)
	<u>257.82</u>	<u>(95.12)</u>
Cash Generated from Operations	670.20	405.31
Interest paid	(78.84)	(75.39)
Tax paid	(62.96)	(54.97)
	<u>(141.80)</u>	<u>(130.35)</u>
Cash Flow Before Extraordinary Items	528.40	274.96
Extra ordinary Items / Adjustments / Prior period items	(14.86)	(11.38)
Cash Flow After Extraordinary Items	513.54	263.57
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(24.95)	(1935.21)
Purchase of Investment	(3,966.03)	(1390.60)
Interest Received	3.31	1.33
Dividend Received	21.58	2.91
Sale of Fixed Asset	132.28	964.65
Sale of Investment	3,796.16	116.19
Pre Operative Expende	(53.84)	-
Net Cash Used for Investing Activities	(91.49)	(2240.73)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	60.95	587.30
Pre Operative Expense -	(65.46)	-
Calls in Arrear (Premium) adjusted against Dividend	0.14	788.02
Dividend paid	(70.15)	-
Increase/(Decrease) In Secured Loans	(138.25)	499.86
Increase/(Decrease) In Unsecured Loans	79.66	-
Share Issue Expense	(0.78)	-
Net cash From Financing Activities	(68.43)	1,809.72
	<u>353.62</u>	<u>(167.44)</u>
	<u>47.69</u>	<u>220.90</u>
	<u>401.31</u>	<u>53.47</u>
	<u>353.62</u>	<u>(167.44)</u>

For P. C. GHADIALI & CO.
Chartered Accountants

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009.

FOR & ON BEHALF OF THE BOARD

DIRECTORS

DIRECTORS

Place : Mumbai
Dated : 25th August, 2009.



(Rs. in Lakhs)

LAHOTI OVERSEAS LIMITED**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS
AS AT 31ST MARCH, 2009**

	AS AT 31/03/2009	AS AT 31/03/2008
SCHEDULE A :		
SHARE CAPITAL		
AUTHORISED		
60,00,000 Equity Shares of Rs.10 each	<u>600.00</u>	<u>600.00</u>
ISSUED , SUBSCRIBED AND PAID-UP		
25,132,500 Equity Shares of Rs.2 /- each (Previous Year 25,132,500 Equity Shares of Rs. 2 each)	<u>587.65</u>	<u>587.65</u>
Less: Calls in Arrears	<u>(3.06)</u>	<u>(3.06)</u>
TOTAL	<u><u>584.59</u></u>	<u><u>584.59</u></u>
SCHEDULE B :		
RESERVES AND SURPLUS		
SHARE PREMIUM		
Opening Balance	<u>916.48</u>	<u>491.48</u>
Add : Issue during the year.	<u>-</u>	<u>788.02</u>
Less: Calls In Arrears	<u>(2.53)</u>	<u>(2.67)</u>
	<u><u>913.95</u></u>	<u><u>1,276.83</u></u>
GENERAL RESERVE		
Opening Balance	<u>398.30</u>	<u>376.12</u>
Add:Amount transferred from Profit and Loss Account	<u>-</u>	<u>22.18</u>
	<u><u>398.30</u></u>	<u><u>398.30</u></u>
PROFIT AND LOSS ACCOUNT		
Balance in Profit and Loss Account	<u>2,786.00</u>	<u>2,772.21</u>
	<u><u>2,786.00</u></u>	<u><u>2,772.21</u></u>
TOTAL	<u><u>4,098.25</u></u>	<u><u>4,447.34</u></u>
SCHEDULE C :		
SECURED LOAN		
P.C.F.C. From Banks	<u>390.98</u>	<u>426.98</u>
(Secured against hypothecation of book debts & stock of Cotton yarn meant for export)		
Advance Against Documents- PNB	<u>-</u>	<u>125.00</u>
(Secured by export bills accompanied by Bills of Lading or bills of any kind covering consignment of goods\documents of title to goods)		
Term Loan with UBI (TL-009)	<u>405.59</u>	<u>782.46</u>
TOTAL	<u><u>796.57</u></u>	<u><u>1334.44</u></u>

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS
AS AT 31ST MARCH, 2009



SCHEDULE D :
FIXED ASSETS

(Rs. in Lakhs)

PARTICULARS	RATE	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 1.4.2008	Addition	Ded- uction	As at 31.3.2009	As at 1.4.2008	For the Year	Ded- uction	As at 31.3.2009	As at 31.3.2008
EXPORT DIVISION										
<u>Export Division</u>										
Goodwill	-	118.60	-	-	118.60	-	-	-	118.69	-
Land	-	114.25	-	-	114.25	-	-	-	114.25	114.25
Building	5.00%	468.25	-	-	468.25	-	-	130.30	337.95	355.74
Plant & Machinery	13.91%	228.14	6.09	199.82	34.41	11.04	32.62	13.44	20.96	193.12
Furniture & Fixtures	18.10%	120.84	3.02	44.84	79.02	53.74	7.56	54.08	24.95	67.10
Motor Car	25.89%	81.42	6.68	2.25	85.85	52.71	0.59	59.64	26.21	28.71
Computers	40.00%	29.13	2.70	-	31.83	23.64	-	26.72	5.11	5.48
Capital Work In Progress	-	750.45	6.46	15.95	740.96	-	-	-	740.96	750.45
Total (A)	1,911.08	24.95	262.86	1,673.16	277.63	47.32	284.18	1,388.99	1,514.85	1,514.85
Wind Power Division										
Plant & Machinery	15.33%	1,058.88	-	-	1,058.88	497.68	86.03	-	583.71	475.17
Total (B)		1,058.88	-	-	1,058.88	497.68	86.03	-	583.71	475.17
Total As On 31.03.2009		2,969.95	24.95	262.86	2,732.04	775.31	133.36	40.78	1,864.16	2,076.05
Total As On 31.03.2008		1,924.95	315.22	182.26	2,057.91	601.65	172.80	-	1,263.46	-



(Rs. in Lakhs)

LAHOTI OVERSEAS LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS
AS AT 31ST MARCH, 2009

NO. OF SHARES		AS AT 31/03/2009	AS AT 31/03/2008
SCHEDULE E :			
INVESTMENTS (AT COST)			
A) EQUITY SHARES (Quoted)	Nos		
1 Emami Limited (Previous year - 2200 shares of Rs. 2 each)	2,200.00	1.54	1.54
2 Jet Airways Limited (Previous year - 356 shares of Rs. 10 each)	356.00	3.92	3.92
3 TCS Limited (Previous year - 574 shares of Rs. 1 each)	1,148.00	2.44	2.44
4 Punjab National Bank (Previous year - 3943 shares of Rs. 10 each)	3,943.00	4.61	4.61
5 Union Bank Ltd (Previous year - 2,900 shares of Rs. 10 each)	2,900.00	0.46	0.46
6 Comfort Intech Limited (Formerly Comfort Fininvest Limited) (Previous year - 1,31,500 shares of Rs. 10 each)	131,500.00	23.62	23.62
7 L.G. Balkrishna Ltd (Previous year - 1,000 shares of Rs. 1 each)	1,000.00	0.02	0.04
8 Bank of India (Previous year-900 shares of Rs. 10 each)	900.00	0.41	0.41
9 Cadila Health Care Limited (Previous year - 1200 shares of Rs. 10 each)	1,200.00	1.49	1.50
10 FCS Software Ltd. (Previous year - 741 shares of Rs. 10 each)	741.00	0.37	0.37
11 GSPL Ltd. (Previous year - 2253 shares of Rs. 10 each)	2,253.00	0.61	0.61
12 Reliance Petroleum Ltd (Previous year - 2778 shares of Rs. 10 each)	2,778.00	1.67	1.67
13 LGB Forge Limited (Previous year - NIL)	1,000.00	0.02	0.00
14 Zydus Wellness Limited (Previous year - NIL) (Aggregate Market Value of Quoted Investment -Rs. 67,92,943/-) (Previous Year Rs. 65,98,671 /-)	320.00	0.01	0.00
(A)		41.18	41.18

LAHOTI OVERSEAS LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS
AS AT 31ST MARCH, 2009



(Rs. in Lakhs)

		AS AT 31/03/2009	AS AT 31/03/2008
B) EQUITY SHARES (Unquoted)			
Web Source Tech. Limited.	50,000.00	50.00	50.00
Arun Com. Premises Co-operative Society Limited	0.01	0.01	0.01
(B)		50.01	50.01
C) UNITS OF MUTUAL FUNDS	Units		
Fidelity India Situations Fund (Previous Year - 2,44,498.778 units of Rs. 10 each)	244,498.78	25.00	25.00
AIG Fixed Maturity Plan- I Series- I (Previous Year - NIL)	10,000.00	100.00	0.00
DSPBR G-Sec.Plan-A-Monthly Div (Previous Year - NIL)	855,840.44	95.00	0.00
HSBC Equity Fund (Previous Year - NIL)	9,771.30	6.00	0.00
Reliance Growth Fund (Previous Year - NIL)	2,258.59	5.00	0.00
Reliance Liquid Fund (Previous Year - 9222.847 Units of Rs. 10 each)	0.00	0.00	0.95
JM Basic Fund (Previous Year - NIL)	8,345	2.50	2.50
Reliance Diversified Power Sector Fund - Dividend Plan (Previous Year - NIL)	4,015	2.10	2.10
(Aggregate market value Rs. 2,22,79,040/-) (Previous Year Rs.93,82,388/-)			
(C)		235.60	30.55
D) INVESTMENT IN PROPERTY			
Flat		25.38	25.38
Plot of land		11.00	11.00
(D)		36.38	36.38
E) INVESTMENT (OTHERS)			
National Saving Certificates (WIND POWER)		0.20	0.20
(E)		0.20	0.20
TOTAL (A+B+C+D+E)		363.36	158.31

LAHOTI OVERSEAS LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS
AS AT 31ST MARCH, 2009



(Rs. in Lakhs)

	AS AT 31/03/2009	AS AT 31/03/2008
SCHEDULE F :		
INVENTORIES		
(As per inventories valued and certified by Managing Director)		
Stock in transit :		
(Valued at lower of cost or market value)		
	<u>134.44</u>	<u>462.22</u>
TOTAL	<u>134.44</u>	<u>462.22</u>
SCHEDULE G :		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months		
	22.87	14.28
Other Debts		
	<u>2,332.50</u>	<u>2,544.89</u>
	<u>2,355.37</u>	<u>2,559.17</u>
TOTAL	<u>2,355.37</u>	<u>2,559.17</u>
SCHEDULE H :		
CASH AND BANK BALANCES		
A	Cash on hand	
	4.27	4.47
B	Balance with Scheduled Banks in :	
	Current Account	
	391.47	44.17
	Fixed Deposit Account	
	5.99	4.83
	<u>397.46</u>	<u>49.00</u>
TOTAL	<u>401.73</u>	<u>53.47</u>

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS
AS AT 31ST MARCH, 2009



(Rs. in Lakhs)

	AS AT 31/03/2009	AS AT 31/03/2008
SCHEDULE I :		
LOANS AND ADVANCES (Unsecured , Considered Good)		
A <u>Loans</u>		
Body Corporate	98.93	20.12
Others	8.18	8.18
Employees	4.64	6.03
	<u>111.76</u>	<u>34.33</u>
B <u>Advances</u>		
Advance Tax Paid & TDS	539.80	478.57
Sundry Deposits	131.52	131.34
Advance Recoverable in cash or in kind or for value to be received	<u>432.70</u>	<u>553.92</u>
	<u>1,104.02</u>	<u>1,163.84</u>
TOTAL	<u>1,215.78</u>	<u>1,198.17</u>
SCHEDULE J :		
CURRENT LIABILITIES AND PROVISION		
A <u>LIABILITIES</u>		
Sundry Creditors		
For goods	58.30	38.35
For Commission	61.39	68.02
For Capital Goods	53.97	52.38
For Expenses	40.91	111.73
	<u>214.57</u>	<u>270.48</u>
Other Current Liabilities	<u>112.70</u>	<u>240.72</u>
	<u>327.27</u>	<u>511.20</u>
B <u>PROVISIONS</u>		
Provision for Taxation	379.83	327.38
Proposed Dividend	58.77	70.52
Corporate Dividend Tax	9.99	11.98
	<u>448.58</u>	<u>409.89</u>
TOTAL	<u>775.86</u>	<u>921.08</u>

LAHOTI OVERSEAS LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS
AS AT 31ST MARCH, 2009



(Rs. in Lakhs)

	AS AT 31/03/2009	AS AT 31/03/2008
SCHEDULE K :		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
A Preliminary Expenses	0.34	0.34
Less: Written off	-	-
B Pre-operative Expense	<u>0.34</u>	<u>0.34</u>
Add : Incurred during the year	31.91	65.12
Add : Share Issue Expenses	53.84	-
	<u>0.78</u>	<u>-</u>
	<u>86.53</u>	<u>65.12</u>
TOTAL	<u><u>86.87</u></u>	<u><u>65.46</u></u>

SCHEDULE L :		
OTHER INCOME		
Exchange Rate Gain	0.00	2.08
Commission	0.87	0.00
Dividend Received	21.58	2.91
Rent Received	5.31	4.46
Forward Contract Premium	2.03	0.00
Interest Received	2.35	1.33
Miscellaneous Receipt	0.01	0.00
Insurance Claim Received	0.37	0.93
Profit on sale of Investments	0.00	32.21
VAT Tax Written Back	0.20	0.00
Profit on sale of Fixed Asset	0.00	6.50
FD Interest Received	0.96	0.00
Sundry Balance Written Off	0.10	0.51
TOTAL	<u><u>33.79</u></u>	<u><u>50.93</u></u>

SCHEDULE M :		
COST OF SALES		
Opening Stock	462.22	621.92
Add: Purchases & Other Direct Expenses	<u>13,609.24</u>	<u>18,541.63</u>
	14,071.46	19,163.55
Less: Closing Stock	<u>134.44</u>	<u>462.22</u>
TOTAL	<u><u>13,937.02</u></u>	<u><u>18,701.33</u></u>

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS
AS AT 31ST MARCH, 2009



(Rs. in Lakhs)

	AS AT 31/03/2009	AS AT 31/03/2008
SCHEDULE N :		
OFFICE, ADMINISTRATION AND SELLING EXPENSES		
Ocean Freight	235.59	410.32
Freight & Demurrage	196.49	312.97
Premium for Keyman Policy	13.08	12.82
Salaries and Other Benefits	96.80	106.79
Conveyance & Travelling	35.39	43.03
Overseas Commission	78.57	53.07
Bad Debts	11.96	0.00
Advertisement Expenses	0.96	1.24
Legal and Professional Charges	16.36	13.91
Postage, Telex and Telephone Charges	18.02	25.77
Rent, Rates and Taxes	41.86	16.05
Directors' Remuneration	14.40	14.40
Sales Promotion	11.59	33.85
Office & General Expenses	33.28	65.79
Insurance Premium	7.24	45.83
Local Commission	12.91	11.66
Motor Car Expenses	6.27	5.40
Repairs & Maintenance	14.15	18.09
Electricity Charges	8.03	4.94
Port Fees	0.08	2.61
Printing and Stationary	3.13	5.54
Guest House Expenses	3.89	5.06
Miscellaneous Expenses	0.01	0.00
Auditor's Remuneration	2.62	1.52
Donation	0.11	0.12
TOTAL	862.78	1,210.88

SCHEDULE O :

INTEREST AND FINANCE CHARGES

Bank Charges and Commission	31.59	47.74
Bank Interest	28.23	75.39
TOTAL	59.82	123.13



LAHOTI OVERSEAS LIMITED

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2009

SCHEDULE P:

NOTES TO ACCOUNTS

1. BASIS OF ACCOUNTING:-

The financial statements are prepared in accordance with the requirements of the Companies Act, 1956, including the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, as referred to in section 211 (3C) of the Companies Act 1956, under historical cost convention on an accrual basis.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) The financial statements of the Company and its subsidiary companies are combined 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 profits or losses in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

(ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

(iii) During the year, there is reduction of shareholding in Lahoti Terra Knitfab Limited which was Subsidiary in the previous year now considered as associate company. An investment in associate is now accounted in consolidated financial statements under the equity method in accordance with Accounting standard (AS) 23-"Accounting for Investments in Associates in Consolidated Financial Statements".

(iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

3. Investments other than in subsidiaries have been accounted as per Accounting Standard 13 on Accounting for Investments.

4. Other significant accounting policies:-

These are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of Lahoti Overseas Limited and its subsidiaries.

5. OTHER NOTES :

I. The subsidiary / associate company(s) considered in the consolidated financial statements are:

Name of the subsidiaries	Country of Incorporation	Relationship	Shareholding
G. Vardan Limited	India	Subsidiary	100%
Lahoti Spintex Limited	India	Subsidiary	100%
Lahoti Terra Knitfab Limited	India	Associate	48.93%

LAHOTI OVERSEAS LIMITED

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009



II. DISCLOSURE OF DISCONTINUED OPERATIONS OF MANUFACTURING UNIT OF READYMADE GARMENTS AT TIRUPUR

- i) During the year, the enterprise has discontinued operation of Garment manufacturing unit at Tirupur branch.
- ii) Through Postal Ballot Dated 21/03/2009, it is resolved to dispose of all the major fixed asset of the manufacturing unit.
- iii) The manufacturing unit has discontinued operations before the year end.
- iv) During the year, the total revenue of manufacturing unit was Rs.231.83 lakhs and total expenses are Rs. 345.79 lacs (excluding loss on sale of fixed assets of Rs. 89.82 Lakhs).
- v) The pre-tax loss from the ordinary activities is Rs. 113.96 lakhs during the current financial year.
- vi) Net amount of cash flow from Discontinuing unit is as follows ;
Cash outflow from Operating Activates : Rs. 19.66 lakhs.
Cash inflow from Investing Activates : Rs. 106.62 lakhs.
Cash outflow from Financing Activities : Rs. 81.38 lakhs.
Increase in Cash & Cash Equivalent : Rs. 5.58 lakhs.

III. Contingent Liabilities:

The Bills discounted which are outstanding as on 31st March, 2009 is Rs. 1,23,81,884/-.

IV. Auditors' Remuneration:

(Rs. in Lakhs)

Current Year	Current Year	Previous Year
Audit fees	1.38	1.03
Tax Audit Fees	0.30	0.16
Tax Matters	0.22	0.16
Certification Charges	0.11	0.10
Other Charges	0.49	0.00

IV. Directors' Remuneration:

(Rs. in Lakhs)

	Current Year	Previous Year
Salaries	14.40	14.40
Commission on Profits	NIL	NIL
Perquisites	NIL	NIL

V. Expenditure in foreign currency:

Foreign Bank Charges	:	Rs. 13.63 Lakhs
Foreign Traveling Expenses	:	Rs. 09.51 Lakhs
Overseas Commission	:	Rs. 78.57 Lakhs



LAHOTI OVERSEAS LIMITED
SCHEDULES TO THE CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2009

VI. Earning in Foreign Exchange:

FOB value: Rs. 14,420.15 Lakhs (this includes realized on account of third party exports)

VII. Related Party Disclosure:-

The Company has identified following parties for the purpose of Related Party Disclosure: -

a. Subsidiary Companies: -

Lahoti Spintex Limited,
G. Varadan Limited

b. Associate Companies:-

Lahoti Terra Knitfab Limited

c. Related Companies/Firm : -

PS Ware Information Private Limited
Sri Laxmi Exports
Kirti Stock Brokers (P) Ltd.
Bauble Investment Pvt. Ltd.

d. Key Management Personnel: -

Shri Umesh R. Lahoti - Managing Director
Shri Ujjwal R Lahoti – Executive Director

(Rs in Lakhs)

Nature of Transaction	Subsidiary	Associates	Key Management Personnel	Total
Loan Given	162.81	–	–	162.81
Rent Paid	–	1.20	–	1.20
Remuneration Paid	–	–	14.40	14.40

VI. Segment Reporting for the year ended 31st March 2009:-

The Company has disclosed Business Segment as primary segment. Segments have been identified taking into account the nature of products, risk & returns, organisational structure and internal reporting systems. The Company's operation predominantly relates to Trading, Wind power, and others include shares, securities, rent, investments etc. The company caters mainly to the needs of Export markets. However the same can not be specifically identifiable for geographical hence only Business Segment has been presented.

Segment Revenue, Segment Payments, Segment Asset and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

LAHOTI OVERSEAS LIMITED



VII. As per the confirmation received from the management, there has been no delay in payments of dues to small-scale industry suppliers and no amount is payable to them at year end.

VIII. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

SIGNATURES TO THE SCHEDULES 'A to O'
AND NOTES TO ACCOUNT 'P'

Per our report attached of even date

For P. C. GHADIALI & CO.
Chartered Accountants

(PANKAJ C. GHADIALI)
PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009.

FOR & ON BEHALF OF THE BOARD

DIRECTORS

DIRECTORS

Place : Mumbai
Dated : 25th August, 2009.



LAHOTI OVERSEAS LIMITED

Additional information as required under Part IV of Schedule VI to the Companies Act , 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1) Company's Registration Details		
Registration No.	:	11-87643
State Code	:	11
Balance Sheet Date	:	31-Mar-2009
2) Capital Raised During the year (Amounts in Rs. Thousands)		
Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
3) Position of Mobilization and Deployment of Funds (Amounts in Rs. Thousands)		
Total Liabilities	:	564,900
Total Assets	:	564,900
Sources of Funds		
Paid up Capital	:	58,459
Reserves & Surplus	:	409,825
Secured Loans	:	79,657
Unsecured Loans	:	-
Deferred Tax Liability	:	16,960
Application of Funds		
Net Fixed Assets	:	186,416
Investments	:	36,336
Net Current Assets	:	333,462
Misc. Expenditure	:	8,687
4) Performance of Company (Amounts in Rs. Thousands)		
Turnover	:	1,521,787
Total Expenditure	:	1,509,306
Profit Before Tax	:	12,480
Profit After Tax	:	9,673
Earnings Per Share in Rs. (Annualized)	:	0.33
Dividend Rate %	:	10%
5) Generic names of Three Principal Products/Services of the Company (as per Monetary Terms)		
Item Code	:	520300
Product Description	:	Trading in Yarn, Fabric & Raw Cotton
6) Figures of previous year have been regrouped / recast wherever necessary.		

For P. C. GHADIALI & CO.
Chartered Accountants

FOR & ON BEHALF OF THE BOARD

(PANKAJ C. GHADIALI)

DIRECTORS

DIRECTORS

PARTNER
Membership No. 31745

Place : Mumbai
Dated : 25th August, 2009.

Place : Mumbai
Dated : 25th August, 2009.

Year ended 31st March 2009

Information of Business Segment

	Trading		Wind Power		Others		Total	
	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
Gross Segment Revenue	14,649.19	19,154.16	145.44	179.08	40.12	1,119.10	15,184.08	20,452.34
Less:- Intersegment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Segment Revenue	14,649.19	19,154.16	145.44	179.08	40.12	1,119.10	15,184.08	20,452.34
Segment Results :	287.14	227.80	2.52	67.93	(61.00)	32.86	228.66	328.59
(Profit / Loss Before Tax , Interest and Investment Income from each segment)								
Add:- Income from Investments							21.52	2.50
Add:- Income from Interest							2.35	1.33
Less:- Loss on sale of Fixed assets							(89.82)	-
Less:- Profit/(Loss) on sale of investments							(10.27)	38.71
(Profit / Loss Before Tax and Interest Income from each segment)	287.14	227.80	2.52	67.93	(61.00)	32.86	152.44	371.12
Less:- Interest (net)							(28.23)	(75.39)
Profit Before Tax							124.21	295.73
Provision for Tax								
Current							50.17	60.03
Deferred							(24.49)	(30.07)
Fringe Benefit Tax							2.35	2.34
Profit After Tax							96.17	263.43
Capital Employed								
Segment Assets								
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fixed Assets	483.54	722.26	478.98	561.20	0.00	0.00	962.52	1,283.46
Investments	969.51	810.30	0.20	0.20	0.00	0.00	969.71	810.30
Current Assets,Loans and Advances (net of Tax assets)	3,986.60	0.00	35.14	97.12	23.86	9.78	4,045.61	4,134.74
Deferred Revenue Expenditure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets	5,439.65	1,532.57	514.33	658.52	23.86	9.78	5,977.84	6,007.30
Segment Liabilities								
Loan Funds	390.98	0.00	0.00	0.00	0.00	0.00	390.98	551.98
Current Liabilities & Provisions (net of tax Liabilities)	676.69	0.00	53.97	0.00	9.17	0.00	739.83	819.02
Deferred Tax Liabilities	169.57	0.00	0.00	0.00	0.00	0.00	169.57	194.06
Total Liabilities	1,237.23	0.00	53.97	0.00	9.17	0.00	1,300.38	2,014.65
Net Segment Assets	4,202.42	0.00	460.35	635.82	14.69	211.76	4,677.46	3,992.64
Capital Expenditure	18.45	0.00	0.00	0.00	0.00	0.00	18.45	27.50
Segment Depreciation	47.23	0.00	86.03	0.00	0.00	0.00	133.26	162.78
Non - Cash Expenses other than Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PROXY
LAHOTI OVERSEAS LIMITED

Registered Office : 307, Arun Chambers, Tardeo Road, Mumbai - 400 034.

Please Fill in Here.

Member's Folio No.....
(as stated on address slip)

I/We.....
.....of.....

being a MEMBER/MEMBER'S LAHOTI OVERSEAS LIMITED hereby appoint
.....of.....

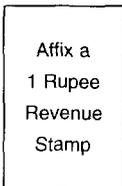
OR

.....of.....

as my/our proxy to vote for me/us on my/our behalf at the 14th Annual General Meeting of the Members of the Company to be held at the 307, ARUN CHAMBERS, TARDEO ROAD, MUMBAI-400 034. on Tuesday 29th September, 2009 at 3.00 P.M.

As witness my/our hand this.....day of.....2009

Signature of the Members.....



N.B.: The PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

ATTENDANCE SLIP
LAHOTI OVERSEAS LIMITED

Registered Office : 307, Arun Chambers, Tardeo Road, Mumbai - 400 034.

RECORD OF ATTENDANCE AT THE 14TH ANNUAL GENERAL MEETING HELD ON
TUESDAY, 29TH SEPTEMBER, 2009 AT 3.00 P.M. AT
307, Arun Chambers, Tardeo Road, Mumbai - 400 034.
PLEASE COMPLETE THIS ATTENDANCE SLIP
AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

NAME OF THE SHARHOLDER OR PROXY OR REPRESENTATIVE
ATTENDING THE MEETING

Mr./Mrs./

Miss.....

(in Capitals)

Member's Folio No.....Signature.....

(incase the shares are held in Demat mode);

DP ID.....

Client ID.....

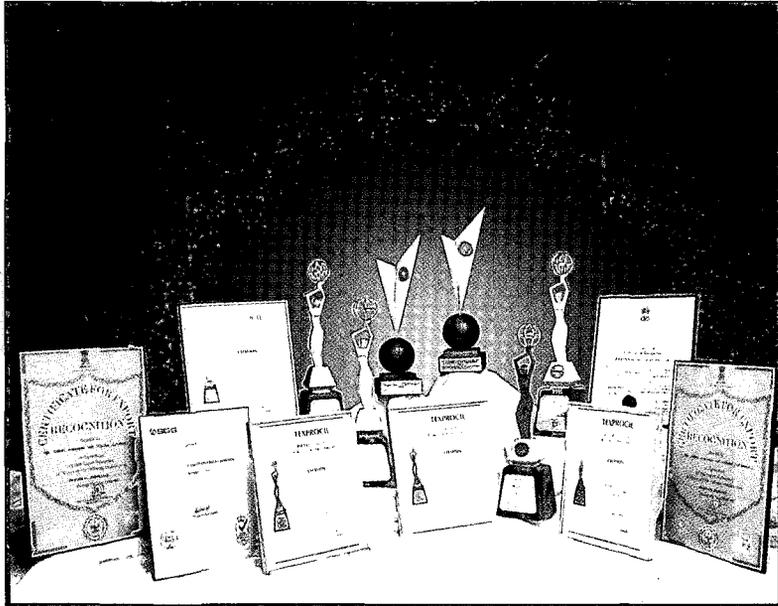
TO BE USED ONLY WHEN THE FIRST - NAMED SHARED HOLDER ATTENDS

PLEASE GIVE NAME OF THE FIRST - NAMED SHARE HOLDER

Mr./Mrs./Miss.....

Member's Folio No.....No. of Shares held.....

DATED 29TH SEPTEMBER 2009



From TEXPROGIL

07 - 08 Merchant Exports	Gold
06 - 07 Merchant Exports	Gold
05 - 06 Merchant Exports	Gold
04 - 05 Merchant Exports	Bronze
03 - 04 Merchant Exports	Silver
02 - 03 Merchant Exports	Gold
00 - 01 Merchant Exports	Silver
99 - 00 Merchant Exports	Bronze
98 - 99 Merchant Exports	Silver
97 - 98 Merchant Exports	Gold
97 - 98 Non-quota Exports	Silver
96 - 97 Merchant Exports	Bronze
95 - 96 Merchant Exports	Gold

From FIEO

03 - 04 Niryatshree	Silver
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From GOVERNMENT OF MAHARASHTRA

The Silver Plaque Awards for the years 1995-1996, 1996-1997 and 2005-2006 under the Merchant Exporters category and for the year 2006-2007 under the Export House category bestowed for the highest Export performance in Maharashtra State.