

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 SHRI VIJAY AJGAONKAR
AUDITORS	:	P. C. GHADIALI & CO. CHARTERED ACCOUNTANTS MUMBAI
INTERNAL AUDITORS	:	LAHOTI NAVNEET & CO. CHARTERED ACCOUNTANTS MUMBAI
BANKERS	:	STATE BANK OF INDIA UNION BANK OF INDIA DBS BANK LTD. HSBC LTD. PUNJAB NATIONAL BANK CITI BANK N.A.
SOLICITORS	:	SHIRALKAR & CO. MUMBAI
REGISTERED OFFICE	:	307, ARUN CHAMBERS, TARDEO ROAD, MUMBAI - 400 034.

NOTICE

Notice is hereby given that the **Fifteenth Annual General Meeting** of the Members of **Lahoti Overseas Limited** will be held on Wednesday, 29th September 2010 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, 2010 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. Prakash Bang, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Aadhiya U. Lahoti, 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

6. To re-appoint Mr. Umesh Lahoti as a Managing Director for the period of 5 (Five) Years from 11th September, 2010 to 10th September, 2015 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 a **Special Resolution**: -

“RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule 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. Umesh Lahoti as a

Managing Director of the company, for a period of 5 (five) years with effect from September 11, 2010, on the terms and conditions, as set out herein under, 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 ₹ 1,00,000 to ₹ 2,00,000 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 Managing Director in addition to salary, as follows:-

- (i) Housing :
 - a) 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 Managing Director.
 - b) In case the accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.
 - c) In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing - (a) 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 ₹ 5,000 per annum.

(vi) Provident Fund / Superannuation Fund
a) Company's contribution towards Provident Fund as per the Rules of the Company.
b) Company's contribution towards Superannuation Fund as per the Rules of the Company.

Contribution to Provident Fund, Superannuation 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. Umesh Lahoti.

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

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

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

FURTHER RESOLVED THAT notwithstanding anything contained herein, where in any financial year, during the currency of tenure of the Managing 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. Umesh 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 309 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 Managing 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 be and is hereby authorised to do all such acts as may be necessary desirable, and expedient to give effect to this resolution.

7. Appointment of Mr. Vijay Ajaonkar as Director.
To appoint Mr. Vijay Ajaonkar who has been appointed as an additional Director of the company w.e.f. May 11, 2010, as a non- executive rotational director and in this regard to consider and, if thought fit, to pass the following resolution with or without modification as an ordinary resolution.

RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions



(including any modification or re-enactment thereof), if any, of the Companies Act, 1956, Mr. Vijay Ajgaonkar who was appointed as an Additional Director in the meeting of the Board of Directors held on May 11, 2010 whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT any of the directors of the company be and are hereby severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution.

8. To increase the remuneration of Mr. Ujwal Lahoti
To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: -

RESOLVED THAT in accordance with 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 for revision in terms & conditions of remunerations and perquisites of Mr. Ujwal Lahoti as an Executive Director of the company, as set out in explanatory statement annexed hereto.

FURTHER RESOLVED THAT notwithstanding anything contained 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 limit of 5% and 10% of the net profit of the Company, as the case may be, as laid down in sub-section (3) of Section 309 of the Companies Act, 1956 and the overall limit of

11% of the net profit 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 Board of Directors be and is hereby authorised to do all such acts as may be necessary desirable, and expedient to give effect to this resolution.

By Order of the Board

Place: Mumbai
Date: 13/08/2010

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 himself/herself 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 representative 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 Thursday, 23/09/2010 to Wednesday 29/09/2010 (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 2003, 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. Aadhitiya U. Lahoti and Mr. Prakash R. Bang 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, if the Chairman permits such information to be furnished.
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.6

To re-appoint Mr. Umesh Lahoti as a Managing Director for the period of 5 (Five) Years from 11th September, 2010 to 10th September, 2015 to avail his expertise services in the Area of Business Management and Business Development and proposed following resolution:

BRIEF PROFILE

Mr. Umesh R. Lahoti, Director, Age – 45 years, B.COM – Mr. Umesh R. Lahoti is acting as Managing Director of Lahoti Overseas Limited, a Government recognized Trading House having annual turnover of ₹ 250 Crores. He is in-charge of the day to day operations and overall management of Lahoti Overseas Limited. Further, Mr. Umesh R. Lahoti is also in-charge of day to day operations of our Company and have vast experience of 16 years in the field of textiles particularly for yarn exports. He also serves on the boards of various Public and Private Limited Companies.

TERMS OF RE- APPOINTMENT

- i. Tenure – 11th September, 2010 to 10th September, 2015.
- ii. Remuneration – As may be determined by the board.

MEMORANDUM OF CONCERN OR INTEREST OF THE DIRECTORS

None of the directors of the Company is concerned or interested in the reappointment.

Item No. 7

Mr. Vijay Ajgaonkar was appointed as an Additional Director on the Board of your Company with effect from May 11, 2010 pursuant to the provision of section 260 read with Article 117 of the Article of Association of the Company and who holds office as such only of Director up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of ₹ 500 proposing the candidature of Mr. Vijay Ajgaonkar for the office of Director under the provision of Section 257 of the companies Act, 1956. The resolution is accordingly commended for your acceptance.

None of the Directors of the company, are interested in this resolution.

Item No. 8

In accordance with the provisions of Companies Act, 1956 & Scheduled XIII and all other applicable provisions, if any, the remuneration of Mr. Umesh Lahoti as a Managing Director & Mr. Ujwal Lahoti as a Executive Director of the company, are hereby increased for further period. The Company achieved the progress in terms of performance by availing their expertise in the field of overseas business.

The remuneration payable to Mr. Ujwal Lahoti is subject to the limit 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 309 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.

The revised terms of remuneration will be as follows:

- A. (i) Salary: In the range of ₹ 1,00,000 to ₹ 2,00,000 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 Managing Director in addition to salary, as follows:-

- (i) Housing :
- 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 Managing Director.
 - In case the accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.
 - In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing - (a) 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 ₹ 5,000 per annum.

(vi) Provident Fund / Superannuation Fund

- Company's contribution towards Provident Fund as per the Rules of the Company.
- Company's contribution towards Superannuation Fund as per the Rules of the Company.

Contribution to Provident Fund, Superannuation 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. Umesh Lahoti.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the **Fifteenth Annual Report** together with the audited statements of accounts of the Company for the year ended 31st March 2010.

Financial Results:

The performance of the Company for the financial year ended March 31, 2010 is summarised below:

(₹ In Lakhs)

Particulars	Financial year ended 31-03-2010	Financial year ended 31-03-2009
Sales & Other Income	26609.77	15216.83
Gross Profit	900.60	257.47
Less: Depreciation	90.95	133.26
Profit before Tax	809.65	124.21
Provision for Tax		
Current Tax	138.33	50.17
Deferred Tax	97.59	(24.49)
Fringe Benefit Tax	---	2.35
Profit after Tax	573.73	96.17
Prior period and other adjustment	49.04	(13.91)
Add: Excess provision written back	(0.31)	(0.37)
Balance b/f from previous year	2780.63	2766.75
Amount available for appropriation	3403.40	2849.02
Less: Proposed Dividend	117.53	58.77
: Corporate Dividend Tax	19.97	9.99
: Transferred to General Reserves	46.71	---
Add: Excess provision for Dividend	(0.31)	(0.37)
Balance carried to Balance Sheet	3219.49	2780.63

1. Financial Performance:

During the year, your Company has recorded a total income of ₹ 26,609.77 Lakhs, against ₹ 15,216.83 Lakhs in the previous year, increase of 74.87%. Net Profit Before Taxation for the financial year ended March, 31, 2010 increased to ₹ 809.65 Lakhs from ₹ 124.21, which is increased of 551.84% in the previous year.

2. Dividend:

Your Board of Directors proposed the Final Dividend @ 20% (i.e. ₹ 0.40) per share on 2,93,82,500 Equity Shares of ₹ 2 each absorbing an amount of ₹ 1,17,53,000. The dividend will be paid to those members whose name appears in the register of members as on 29th September, 2010 subject to the approval by the members at the Annual General Meeting.

3. Exports

In light of the favourable condition in some of the big markets, the Company achieved a better export performance due to consistent & timely supply of quality goods. Looking at the new trend emerging in the markets, your company focused 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 /Associate Companies :

The Company as of March 31, 2010 had two subsidiaries, viz Lahoti Spintex Limited and G.Varadan Limited as wholly owned subsidiaries of Lahoti Overseas Limited. And in addition to these Lahoti Terra Knitfab Limited is the associate company as on 31.03.2010.

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.

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. Aadhitiya U. Lahoti & Mr. Prakash Bang are liable to retire by rotation and is being eligible for re-appointment.

Mr. Vijay Ajaonkar be and is hereby appointed as a Director of the company, who was appointed as an Additional Director with effect from 11th May, 2010.

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 2010, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. the 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, 2010 and of the Profit of the Company for the year under review.
- iii. the 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. the Directors had prepared the accounts for the financial year ended March 31, 2010 on a going concern basis.

9. Consolidated Financial Statements

The Audited Consolidated Financial Statements, based on the financial statements received from subsidiaries and associates, 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.

The observations made in the Auditors report read together with the relevant notes thereon, are self explanatory and hence do not call for any comments under section 217 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 2010-11.

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 ₹ 20576.84 Lakhs and incurred the Foreign Exchange outgo of ₹ 128.95 Lakhs.

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: 13/08/2010

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:

i) Transparency

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

ii) Disclosures

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

iii) 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.

iv) Compliances

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

v) Ethical Conduct

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

vi) 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:

a. 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.

b. 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.

c. Business policies

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

d. 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.

e. 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.

f. 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

Board Strength and representation:

As of March 31, 2010, the board consisted of seven members. The composition and the category of directors on the board of the company as at March 31, 2010 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. Aadhitiya U. Lahoti
Non Executive and Independent Director	Mr. Pradeep Rathi Mr. Arun Godbole Mr. Prakash R. Bang Mr. Vijay Ajgaonkar

Remuneration of Directors:

Table gives the details of Remuneration paid or payable to Directors during 2009-2010:

Name of Director	Sitting Fees (₹)	Salaries & Perquisites (₹)	Total (₹)
Smt. Rukmini R. Lahoti	4,000	NIL	4,000
Mr. Umesh R Lahoti	NIL	6,50,000	6,50,000
Mr. Ujwal R. Lahoti	NIL	9,17,932	9,17,932
Mr. Pradeep Rathi	NIL	NIL	NIL
Mr. Prakash Bang	4,000	NIL	4,000
Mr. Arun Godbole	NIL	NIL	NIL
Mr. Aadhitiya U. Lahoti	NIL	2,70,000	2,70,000

Note:

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



Board Procedure

The directors of the Company are informed about the agenda of the Board Meetings and committee meetings, containing relevant information/ supporting data, as required well in advance, to enable the Board to take informed. Statutory Auditors are also requested to attend the Board or committee meeting as and when required. When deemed expedient, the Board also approves by circular resolution important items of business which are permitted under the Companies Act, 1956, and which can not be deferred till the next Board Meeting.

Matters discussed at Board Meeting generally relate to Company's performance, quarterly results of the Company, approval of related-party transactions, general notice of interest of Directors, review of the reports of the internal auditors, Audit Committee and compliance with their recommendation, suggestion, compliance of any regulatory, statutory or listing requirements, etc.

Number of Board Meetings

During the Year 2009-2010, 6 (Six) Board Meetings were held. These were on 29th April, 2009, 30th July, 2009, 25th August, 2009, 29th October, 2009, 30th January, 2010, 23rd February, 2010. The maximum time gap between any two Board meetings was 92 days and the minimum gap was 23 days.

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.

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.

Directors

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

- i. Mr. Aadhitiya U. Lahoti, 26 years, is B.Com & FMBA joined the Company in 2005 as Export Executive and now is looking after the Marketing in USA & European markets and also business development. His knowledge about modern business environment and management system will help the Company.
- ii. Shri Prakash Bang, 53 years, is MBA with specialization in Marketing and is a successful Professional having 39 years of experience in activities of Advertising, Marketing, Internet Solution and Multimedia application. He is a Non – Executive Director of the Company. The knowledge & experience of Mr. Prakash Bang would be of immense benefit to the progress & growth of the Company. He serves on the Boards of various Public / Private Limited Companies.
- iii. Shri Vijay Ajgaonkar, 67 years, is M.COM, LLB and CAIIB, has experience of 31 years in Banking and Financial Management services with specialization in project finance and other related capital market activities. He is a Non-Executive Director of the Company. He serves on the Boards of various Public/Private Limited Companies.

Attendance at Board Meeting held during 2009-10 and at the last AGM, number of directorships, memberships/chairmanships in public companies during 2009-10 (Annexure - I)

Name of Director	Category	No. of Board meetings attended out of 5 meetings held	Whether attended last AGM	Number of directorships in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies
Mr. Umesh R. Lahoti	Managing Director, Executive & Non Independent	6	Yes	5	1
Mr. Pradeep Rathi	Non Executive, Independent	Nil	No	12	8
Mr. Ujwal R. Lahoti	Executive, Non Independent	6	Yes	5	Nil
Smt. Rukmini R. Lahoti	Chairperson, Non Executive & Independent	6	Yes	2	Nil
Mr. Arun Godbole	Non Executive, Independent	Nil	Yes	Nil	Nil
Mr. Prakash Bang	Non Executive, Independent	6	Yes	5	Nil
Mr. Aadhitiya U. Lahoti	Executive, Non Independent	6	Yes	Nil	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.

4. Code of Conduct:

The Board of Directors has laid down a Code of Conduct, applicable to all Board Members and Senior Executives of the Company. All the Board Members and Senior Management Personnel have confirmed compliance with the code. A declaration by Managing Director affirming the compliance of the Code of Conduct by Board Members and Senior Management Executives is annexed at the end of the Report.

5. 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 control system 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;
 1. matters required to be included in the directors responsibility statement included in the report of the Board of Directors;
 2. any changes in accounting policies and practices;
 3. major accounting entries based on exercise of judgment by management;
 4. qualifications in draft statutory audit report;
 5. significant adjustments arising out of audit;
 6. compliance with listing and other legal requirements concerning financial statements;
 7. 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:

- a. to investigate any activity within its terms of reference.
- b. to seek any information from any employee.
- c. to obtain outside legal and professional advice.
- d. to secure attendance of outsiders with relevant expertise, if it considers it necessary.

5.1 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.

5.2 Meetings and Attendance during the year 2009-10

Audit Committee met 4 times during the year 2009-10 and the attendance record is as per the table given below:

Name of Director	Number of meetings held	Meetings attended
Mr. Pradeep Rathi	6	Nil
Mr. Arun Godbole	6	6
Mr. Prakash Bang	6	6

The Audit Committee held its meetings on 29th April, 2009, 30th July, 2009, 25th August, 2009, 29th October, 2009, 30th January, 2009, 23rd February, 2010.

6. Shareholders'/Investor's Grievances Committee

The Shareholder's/Investor's Grievances Committee held its meetings on 29th April, 2009, 30th July, 2009, 25th August, 2009, 29th October, 2009, 30th January, 2009, 23rd February, 2010.

7. Disclosure

7.1 Related Party Transaction

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. There are no materially significant related party transactions which have potential conflict with the interest of the company at large. Declarations have been received from the senior management personnel to this effect.

7.2 Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges/SEBI/and Statutory Authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the companies by these authorities.



7.3 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

7.4 Disclosure on risk management

The company has laid down procedures to inform the members of the board about the risk assessment and minimization procedures. A risk management committee consisting of senior executives of the company periodically reviews these procedures to ensure that executives' management controls risk through means of a properly defined framework. A senior independent director is associated with the committee. The company has framed the risk assessment and minimization procedure which is periodically reviewed by the board.

7.5 CEO / CFO Certification

The Managing Director of the Company have been certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/ CFO Certification for the financial year ended March, 31, 2010.

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.

8. Compliance with other mandatory requirements

8.1 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.

8.2 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.

9. Compliance with non-mandatory requirements

9.1 Shareholders Rights

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

9.2 Audit Qualification

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

9.3 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.

9.4 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 News Paper and Free Press Journal English News Paper

9.5 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.

9.6 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 recognized practices of governance so as to meet the expectations of our stakeholders.

10 Details on General Body Meetings

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

Financial year	Date	Time	Venue
2006-2007	28/09/2007	3.00 P.M.	307, Arun Chambers, Tardeo Road, Tardeo, Mumbai – 400 034
2007-2008	29/09/2008	3.00 P.M.	307, Arun Chambers, Tardeo Road, Tardeo, Mumbai – 400 034
2008-2009	29/09/2009	3.00 P.M.	307, Arun Chambers, Tardeo Road, Tardeo, Mumbai – 400 034

b. Details of the Special Resolutions passed in the previous three AGM^s

1. At the AGM held on 28th September, 2007 –
 - i. Appointment of Mr. Aadhiya U. Lahoti as Joint Executive Director for a period of 5 (Five) years from September 1, 2007.

- ii. Allotment of 42,50,00 Equity Shares of ₹ 2 each on Preferential basis to Billion Way Garment Limited, Hong Kong.

2. At the AGM held on 29th September, 2009 – Re-appointment of Mr. Ujwal Lahoti as an Executive Director for a period of 5 years from 1st April, 2009 to 31st March, 2014.

During the financial year the following resolutions passed by the postal ballot procedure, Mr. Hitesh Kothari, Practicing Company Secretary was scrutinizer for the said procedure:

Particulars	No. of Votes in favour	% of votes in favour
Increase the authorization limit of Board of Directors to borrow a fund upto ₹ 100 Crores under section 293 (1) (d) of the Companies Act.	1,88,56,947	99.90
Authorization to Board of Directors to mortgage or creation of charge under section 293 (1) (a) of the Companies Act.	1,88,48,047	99.90
Change of Object clause of Memorandum of Association of the Company by inserting a sub clause 85,86,87,88 and 90 under section 17 of the Companies Act.	1,88,51,507	99.90
Consent of Commencement a New Business Activities specified in sub clause 85,86,87,88 and 90 of Memorandum of Association under section 149 (2A) of the Companies Act.	1,88,57,007	99.90

ii. Additional Shareholder Information

Annual General Meeting

Date & Time : 29th September, 2010 at 3.00 p.m.

Venue : 307, Arun Chambers, Tardeo Road, Mumbai – 400 034, Maharashtra.

Financial year : April to March

Book Closure Date : Thursday, 23rd September, 2010 to Wednesday, 29th September, 2010 (both days inclusive) for the purpose of Annual General Meeting and Dividend.



Listing on Stock Exchange : Bombay Stock Exchange Limited, (BSE)
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400 001

Stock Code : BSE: 531842

Quarterly results

were announced on :

30th July, 2009 — First Quarter
29th October, 2009 — Second Quarter
30th January, 2010 — Third Quarter
11th May, 2010 — Fourth Quarter

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 2009-2010:

Month	High	Low	No. of shares traded
April – 2009	3.30	2.25	77201
May – 2009	4.52	2.51	129713
June – 2009	5.03	3.10	81898
July – 2009	3.57	2.96	46846
August – 2009	4.96	3.25	178789
September – 2009	5.25	4.39	161445
October – 2009	5.42	4.10	113754
November – 2009	7.04	4.41	250226
December – 2009	7.45	5.42	275314
January – 2010	7.48	5.52	273441
February – 2010	6.90	5.02	230931
March – 2010	6.85	5.01	180206

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 periodically 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.

SHAREHOLDING PATTERN

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

a. Pattern of shareholding by ownership as on 31st March, 2010.

Category	No. of shares held	Shareholding %
Promoters	15138925	51.52
Bodies Corporate (Group Cos.)	2317500	7.89
Other Bodies Corporate	6104606	20.78
NRI's	91380	0.31
Banks/Financial Institutions	-	-
Indian Public	5730089	19.50
TOTAL	29382500	100.00

b. Pattern of shareholding by share class as on 31st March, 2010.

Sr. No.	Category	Share Holders		Share Amount	
		Number	% to Total	(In ₹)	% to Total
	(1)	(2)	(3)	(4)	(5)
1	Upto - 500	1999	51.05%	1120430	1.91%
2	501 - 1000	938	23.95%	1723564	2.93%
3	1001 - 2000	432	11.03%	1392724	2.37%
4	2001 - 3000	153	3.91%	799796	1.36%
5	3001 - 4000	86	2.19%	630636	1.07%
6	4001 - 5000	126	3.22%	1210310	2.06%
7	5001 - 10000	95	2.43%	1437086	2.45%
8	Above 10000	87	2.22%	50450454	85.85%
	Total	3916	100.00%	58765000	100.00%

DEMATERIALISATION

The Company's equity shares are under compulsory Demat trading. The ISIN of the Scrip is INE515C01023. As on 31st March, 2010, Dematerialized shares accounted for 83.68 % 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 (I) PVT. LTD.

Samhita Complex
Gala No-52 to 56, Bldg No.13 A-B
Near Sakinaka Telephone Exchange
Andheri -Kurla Road, Sakinaka
Mumbai-400072
Telephone-022-67720300/67720400
Fax No 022-28591568
E-mail: indira@shareproservices.com

Contact person: Ms. Indira Karkera

DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS

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

INVESTOR CORRESPONDENCE ADDRESS

Secretarial Department,
Lahoti Overseas Limited
307, Arun Chambers,
Tardeo Road, Mumbai – 400 034
Fax No. 022-40500150
Phone No. 022-40500100
E-mail: aweline@lahotioverseas.com

Contact person: Mr. Aweline Mendes.

SHAREPRO SERVICES (I) PVT. LTD.

Samhita Complex, Gala No-52 to 56,
Bldg No.13 A-B, Near Sakinaka Telephone Exchange
Andheri -Kurla Road,
Sakinaka, Mumbai-400072
Telephone-022-67720300/67720400
Fax No 022-28591568
E-mail: indira@shareproservices.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 March 31, 2010, 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.

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Dated: August 13, 2010



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 9001:2000 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 and South American as well as Russian 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 2008-2009. Besides above, your Company has received two "Silver Plaque" award from Govt. of Maharashtra for excellent performance in exports.

B) OPPORTUNITIES AND THREATS

After the recession period observed during 2008 till 2009 end, the textile export envisaged considerable amount of reduction and the export markets were showing overall downward trends. Since the end of 2009, the American markets have shown some improvements. However, the European markets are still going through the recessionary periods. The revival to the fullest extent of American and European economy, will give the great amount of boost to the Industry. However, it remains to see how much further time these markets will take for the fullest recovery. The big capacity additions from the neighboring countries like

Sri Lanka and Bangladesh in the Textile and Garment sector is creating cut-throat competition for India. These countries including countries like Vietnam are creating tough competition to India, besides the traditional competitor like China and Pakistan.

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 Upgradation. 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 ₹ 25058.74 Lakhs for the year ended 31st March, 2010 which is higher by 74.87% as compared to the previous year. Your Company has paid Key Man Insurance Premium of ₹ 12.82 Lakhs for the year ended 31st March, 2010 as against ₹ 13.08 Lakhs for the corresponding period ending 31st March, 2009. Profit before tax of the company has increased by 551.84% compared to the previous year.

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

(₹ In Lakhs)

Particulars	2009-2010	2008-2009
Cash and cash equivalents –		
Beginning of the year	397.91	42.19
End of the year	141.39	397.91
Net Cash provided (used) by -		
Operating activities	(1798.23)	653.56
Investment activities	(634.20)	(42.82)
Financial activities	2175.91	(255.02)

The net cash outflow from the operating activities at ₹ 1798.23 Lakhs as compared to ₹ 653.56 Lakhs. Cash inflow in the previous year primarily due to change in working capital. The cash used in investment activity increased from ₹ 42.82 Lakhs to ₹ 634.20 Lakhs during the year under review due to acquisition of new WTG at Nandurbar, Maharashtra. The cash inflow from financial activities at ₹ 2175.91 Lakhs as compared to ₹ 255.02 Lakhs. Cash used in previous year is primarily due to raising further working capital funds.

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 2009-10.

Sd/-
Umesh R. Lahoti
Managing Director

Place: Mumbai
Date: 13/08/2010

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.

Sd/-

Place : Mumbai
Date : 13/08/2010

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 March 31, 2010, 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, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the 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, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Pankaj Ghadiali
Partner
Membership Number: 031745
For and on behalf of
P. C. Ghadiali & Co.
Chartered Accountants
Firm No. 103132W
Place: Mumbai
Dated: August 13, 2010

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 March 31, 2010]

1. (a) The company has maintained block wise records of Fixed Assets showing particulars of quantitative details and location of the same, *Updating, the register in respect of fixed assets as per required format in terms of individual assets, is in process.*
(b) We are informed that, 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 and according to the information and explanations given to us, a substantial part of the fixed assets have not been disposed of by the company during the year.
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 is ₹ 189.56 Lakhs and the year-end balance of such loans aggregates to ₹ 8.36 Lakhs.
(b) No interest is charged on loan given to its associate/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 question of overdue amount more than Rupees One Lakh.
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.



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 generally 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, 2010 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 March 31, 2010 which have not been deposited on account of a dispute, are as follows -

Name of the statute	Nature of dues	Amount involve (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Dept.	Order u/s. 143(3)	25.72/-	A.Y. 2004-05	Matter is pending before the High Court of Judicature at Bombay (Appeal Filed by Dept)
Income Tax Dept.	Order u/s. 143(3) r.w.s 250	8.26/-	A.Y. 2005-06	Matter is pending before CIT (Appeal)
Income Tax Dept.	Order u/s. 143(3)	8.55/-	A.Y. 2007-08	Matter is pending before CIT (Appeal)

10. The company has no accumulated losses as at March 31, 2010 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. In our opinion, and according to the information and explanations given to us, , on an overall basis, the term loans have been applied for the purposes for which they were obtained.
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 issue 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.

Pankaj Ghadiali
Partner
Membership Number: 031745
For and on behalf of
P. C. Ghadiali & Co.
Chartered Accountants
 Firm No. 103132W
 Place: Mumbai
 Dated: August 13, 2010

LAHOTI OVERSEAS LIMITED

BALANCE SHEET AS AT MARCH 31, 2010



(₹ in Lakhs)

	SCHEDULE	AS AT 31-Mar-2010	AS AT 31-Mar-2009
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	"A"	584.59	584.59
b) Reserves & Surplus	"B"	<u>4,578.56</u>	<u>4,092.88</u>
		5,163.15	4,677.46
2. LOAN FUNDS			
a) Secured Loans	"C"	2,570.27	390.98
b) Unsecured Loans	"D"	<u>104.22</u>	<u>4.24</u>
		2,674.49	395.21
3. DEFERRED TAX LIABILITY			
		156.23	169.57
TOTAL FUNDS EMPLOYED		7,993.87	5,242.25
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	"E"	2,216.71	1,829.45
b) Less : Depreciation		<u>835.18</u>	<u>866.93</u>
c) Net Block			1,381.53
2. INVESTMENTS			
	"F"		1,127.70
3. CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	"G"	891.64	134.44
b) Sundry Debtors	"H"	3,875.67	2,350.87
c) Cash and Bank Balances	"I"	141.39	397.91
d) Loans and Advances	"J"	<u>1,583.37</u>	<u>801.83</u>
		6,492.06	3,685.05
LESS : CURRENT LIABILITIES AND PROVISIONS			
a) Liabilities	"K"	836.45	291.55
b) Provisions		<u>170.97</u>	<u>83.49</u>
		1,007.43	375.04
NET CURRENT ASSETS			
		5,484.64	3,310.01
TOTAL ASSETS (NET)		7,993.87	5,242.25
SIGNIFICANT ACCOUNTING POLICIES	"P"		
NOTES TO ACCOUNTS	"Q"		

Per our report attached of even date

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

For & On behalf of the Board

Director

Director

Place: Mumbai

Dated: August 13, 2010

Place: Mumbai

Dated: August 13, 2010

LAHOTI OVERSEAS LIMITED



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

(₹ in Lakhs)

	SCHEDULE	AS AT 31-Mar-2010	AS AT 31-Mar-2009
I. INCOME :			
Sales		25,058.74	14,966.85
Export Incentives		1,256.72	193.87
Exchange Rate Gain / (Loss)		113.49	(120.05)
Sale of Power		144.60	145.44
Other Income	"L"	36.23	30.72
		26,609.77	15,216.83
II. EXPENDITURE:			
Cost of Sales	"M"	24,480.89	13,937.02
Office, Administrative and Selling Expenses	"N"	1,114.02	862.43
Interest and Finance Charges	"O"	114.26	59.82
Loss on Sale of Fixed Assets		-	89.82
Loss on Sale of Investments		-	10.27
Depreciation		90.95	133.26
		25,800.13	15,092.62
III. PROFIT BEFORE TAXATION		809.65	124.21
IV. PROVISION FOR TAXATION			
a) CURRENT TAX		138.33	50.17
b) DEFERRED TAX		97.59	(24.49)
c) FRINGE BENEFIT TAX		-	2.35
		235.92	28.04
V. PROFIT AFTER TAXATION (BEFORE PRIOR PERIOD ITEMS)		573.73	96.17
VI. PRIOR PERIOD ADJUSTMENTS (Refer Note 4)		49.04	(13.91)
VII. PROFIT AFTER TAX (AFTER PRIOR PERIOD ITEMS)		622.76	82.26
VIII. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		2,780.63	2,766.75
IX. AMOUNT AVAILABLE FOR APPROPRIATION		3,403.40	2,849.02
X. APPROPRIATIONS			
a) General Reserve		46.71	-
b) Proposed Dividend		117.53	58.77
c) Corporate Dividend Tax		19.97	9.99
		184.21	68.75
Less :			
Excess provision for Dividend written back		(0.31)	(0.37)
		183.91	68.38
X. BALANCE CARRIED TO BALANCE SHEET		3,219.49	2,780.63
XI. SIGNIFICANT ACCOUNTING POLICIES	"P"		
XII. NOTES TO ACCOUNTS	"Q"		
XIII. EARNING PER SHARE			
BASIC EARNINGS PER SHARE (IN ₹)		2.13	0.33
DILUTED EARNINGS PER SHARE (IN ₹)		-	-
FACE VALUE PER SHARE (IN ₹)		2.00	2.00

Per our report attached of even date

Pankaj Ghadiali
Partner
Membership Number: 031745
For and on behalf of
P. C. Ghadiali & Co.
Chartered Accountants
Firm No. 103132W

For & On behalf of the Board

Director Director

Place: Mumbai
Dated: August 13, 2010

Place: Mumbai
Dated: August 13, 2010

LAHOTI OVERSEAS LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2010	AS AT 31-Mar-2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and prior period items	809.65	124.20
Add: Interest (Net)	34.46	25.89
Depreciation	90.95	133.26
Loss on Sale / Redemption of Investments	-	10.47
Loss on sale of Fixed Asset	-	89.82
Profit on sale of Fixed Asset	(0.68)	-
Profit on Sale / Redemption of Investments	(13.65)	-
Rent Received	(3.75)	(5.31)
Dividend Received	(15.09)	(21.52)
	<u>92.25</u>	<u>232.60</u>
Operating profit before working Capital	901.90	356.80
(Increase)/Decrease in Inventories	(757.20)	327.78
(Increase)/Decrease in Trade & Other Receivable	(2,303.97)	179.61
Increase/(Decrease) Current Liabilities & Provision	544.91	(133.24)
	<u>(2,516.26)</u>	<u>374.15</u>
Cash Generated from Operations	(1,614.35)	730.95
Tax paid	(183.87)	(62.53)
Cash Flow Before Extraordinary Items	(1,798.23)	668.42
Extra ordinary Items / Adjustments (Prior Period Item)	-	(14.86)
Cash Flow After Extraordinary Items	<u>(1,798.23)</u>	<u>653.56</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(829.41)	(18.45)
Purchase of Investment	(59.31)	(3,966.03)
Sale of Fixed Asset	1.45	116.33
Sale of Investment	233.65	3,796.16
Interest Received	0.59	2.35
Dividend Received	15.09	21.52
Rent Received	3.75	5.31
Net Cash Used for Investing Activities	<u>(634.20)</u>	<u>(42.82)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(68.45)	(70.15)
Interest paid	(35.05)	(28.23)
Calls in Arrear (Premium) adjusted against Dividend	0.12	0.14
Increase/(Decrease) In Unsecured Loans	99.98	4.24
Increase/(Decrease) In Secured Loans	2,179.29	(161.01)
Net cash From Financing Activities	<u>2,175.90</u>	<u>(255.02)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	<u>(256.53)</u>	<u>355.72</u>
Cash and Cash Equivalents (OPENING BALANCE)	397.91	42.19
Cash and Cash Equivalents (CLOSING BALANCE)	<u>141.39</u>	<u>397.91</u>
	<u>(256.53)</u>	<u>355.72</u>

Per our report attached of even date

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Dated: August 13, 2010

For & On behalf of the Board

Director

Director

Place: Mumbai

Dated: August 13, 2010

LAHOTI OVERSEAS LIMITED



(₹ in Lakhs)

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

PARTICULARS	AS AT 31-Mar-2010	AS AT 31-Mar-2009
SCHEDULE A :		
SHARE CAPITAL		
AUTHORISED		
3,00,00,000 Equity Shares of Rs. 2/- each	600.00	600.00
ISSUED, SUBSCRIBED AND PAID-UP		
2,93,82,500 Equity Shares of Rs.2 /- each	587.65	587.65
Less: Calls in Arrears (2,11,000 Equity Shares)	(3.06)	(3.06)
TOTAL	<u>584.59</u>	<u>584.59</u>
SCHEDULE B :		
RESERVES AND SURPLUS		
SHARE PREMIUM		
Opening Balance	916.48	916.48
Less: Calls In Arrears	(2.41)	(2.53)
	<u>914.06</u>	<u>913.95</u>
GENERAL RESERVE		
Opening Balance	398.30	398.30
Add: Amount transferred from Profit and Loss Account	46.71	-
	<u>445.01</u>	<u>398.30</u>
PROFIT AND LOSS ACCOUNT		
Balance in Profit and Loss Account	3,219.49	2,780.63
	<u>3,219.49</u>	<u>2,780.63</u>
TOTAL	<u>4,578.56</u>	<u>4,092.88</u>
SCHEDULE C :		
SECURED LOANS		
Pre and Post Shipment Credit for Banks (Secured against hypothecation of stock and book debts)	1,970.07	390.98
Term Loan from Bank	600.00	-
Add: Interest Accrued	0.20	-
(Secured by way of equitable mortgage Against Wind Power machine at Distt. Nandurbar, Maharashtra)		
TOTAL	<u>2,570.27</u>	<u>390.98</u>
SCHEDULE D:		
UNSECURED LOANS		
From Others (Inter-corporate deposits)	104.22	4.24
	<u>104.22</u>	<u>4.24</u>

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010



SCHEDULE E: FIXED ASSETS

PARTICULARS	RATE (WDV Basis)	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As At 31-Mar- 2009	Addition	Deduction	As At 31-Mar- 2009	For the Year	Deduction	As At 31-Mar- 2010	As At 31-Mar- 2010	As At 31-Mar- 2009
Export Division										
Land	-	72.44	-	-	72.44	-	-	-	72.44	72.44
Building *	5.00%	467.79	-	433.95	33.84	0.96	115.27	15.59	18.25	337.89
Plant & Machinery	13.91%	34.04	0.31	-	34.36	2.94	-	16.09	18.26	20.89
Furniture & Fixtures	18.10%	79.02	0.38	-	79.40	4.56	-	58.63	20.77	24.95
Motor Car	25.89%	85.84	-	8.15	77.69	6.76	7.38	59.01	18.68	26.21
Computers	40.00%	31.44	1.42	0.05	32.82	2.22	0.05	28.62	4.20	4.99
Total (A)		770.57	2.11	442.14	330.54	17.43	122.70	177.95	152.59	487.36
Wind Power Division I										
Plant & Machinery	15.33%	1,058.88	-	-	1,058.88	72.84	-	656.55	402.32	475.17
Total (B)		1,058.88	-	-	1,058.88	72.84	-	656.55	402.32	475.17
Wind Power Division II										
Land		-	15.91	-	15.91	-	-	-	15.91	-
Plant & Machinery	15.33%	-	811.38	-	811.38	0.68	-	0.68	810.70	-
Total (C)		-	827.29	-	827.29	0.68	-	0.68	826.61	-
Total As On 31.03.2010		1,829.45	829.41	442.14	2,216.71	90.95	122.70	835.18	1,381.53	962.52
Total As On 31.03.2009		2,057.91	18.45	246.91	1,829.45	133.26	40.78	866.93	962.52	-

* Note: Deduction of Rs.433.95 Lakhs represents transfer to Investments, net of accumulated depreciation thereon.

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

PARTICULARS	No of Shares	AS AT 31-Mar-2010	AS AT 31-Mar-2009
SCHEDULE F :			
INVESTMENTS (AT COST, NON TRADE AND NON CURRENT UNLESS OTHERWISE SPECIFIED)			
A) EQUITY SHARES (Quoted)			
1 Emami Limited (Previous year - 2200 shares of Rs. 2 each)	2,200	1.54	1.54
2 Emami Limited (Previous year - NIL)	733	0.00	-
3 Jet Airways Limited (Previous year - 356 shares of Rs. 10 each)	356	3.92	3.92
4 TCS Limited (Previous year - 1148 shares of Rs. 1 each)	1,148	2.44	2.44
5 Punjab National Bank (Previous year - 3943 shares of Rs. 10 each)	3,943	4.61	4.61
6 Union Bank Ltd (Previous year - 2,900 shares of Rs. 10 each)	2,900	0.46	0.46
7 Comfort Intech Limited (Previous year - 1,31,500 shares of Rs. 10 each)	131,500	23.62	23.62
8 L.G.Balkrishna Ltd (Previous year - 1,000 shares of Rs. 1 each)	1,000	0.02	0.02
9 Bank of India (Previous year-900 shares of Rs. 10 each)	900	0.41	0.41
10 Cadila Health Care Limited (Previous year - 1200 shares of Rs. 10 each)	1,200	1.49	1.49
11 FCS Software Ltd. (Previous year - 741 shares of Rs. 10 each)	14,820	0.37	0.37
12 GSPL Ltd. (Previous year - 2253 shares of Rs. 10 each)	2,253	0.61	0.61
13 Reliance Industries Limited (Previous year - 2778 shares of Rs. 10 each)	346	1.67	1.67
14 LGB Forge Limited (Previous year - 1000 shares of Rs. 10 each)	100	0.02	0.02
15 Zydus Wellness Limited (Previous year - 320 shares of Rs. 10 each)	320	0.01	0.01
(Aggregate Market Value of Quoted Investment -Rs.1,58,85,529/-) (Previous Year Rs 67,92,943 /-)	(A)	<u>41.18</u>	<u>41.18</u>
B) EQUITY SHARES (Unquoted)			
Web Source Tech. Limited. (Previous year - 50,000 shares of Rs. 10 each)	50,000	50.00	50.00
Lahoti Terra Knitfab Ltd. (Previous year - 4,87,600 shares of Rs. 100 each)	487,600	558.36	558.36
	(B)	<u>608.36</u>	<u>608.36</u>

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

PARTICULARS	No of Shares	AS AT 31-Mar-2010	AS AT 31-Mar-2009
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 Spintex Ltd. (Previous year - 50,000 shares of Rs. 10 each)	50,000	5.00	5.00
(C)	No of Units	52.60	52.60
D) UNITS OF MUTUAL FUNDS			
Fidelity India Situations Fund (Previous Year - 2,44,498.778 units of Rs. 10 each)		-	25.00
AIG Fixed Maturity Plan- I Series- I (Previous Year - 10,000 units of Rs. 10 each)		-	100.00
DSPBR G-Sec.Plan-A-Monthly Div (Previous Year - 855840.435 units of Rs. 10 each)		-	95.00
HSBC Equity Fund (Previous Year - 9771.303 units of Rs. 10 each)	12,228.93	11.00	6.00
Reliance Growth Fund (Previous Year - 2258.588 units of Rs. 10 each) (Aggregate market value Rs. 22,58,855/-) (Previous Year Rs.2,21,26,070/-)	2,488.76	9.00	5.00
(D)		20.00	231.00
E) INVESTMENT IN PROPERTY			
Flat at Pune		25.38	25.38
Plot of land (At Ahmednagar)		11.00	11.00
Flat at Mumbai (Transferred from Fixed Assets)		318.68	-
(E)		355.05	36.38
F) INVESTMENT (OTHERS)			
National Saving Certificates		0.20	0.20
NABARD Bhavishya Nirman Bond (Previous Year - NIL) (Market Value Rs.50,53,955/-)	500	50.31	-
(F)		50.51	0.20
TOTAL (A+B+C+D+E+F)		1,127.70	969.71

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2010	AS AT 31-Mar-2009
SCHEDULE G :		
INVENTORIES		
Stock in Transit :		
(As per inventories valued and certified by Managing Director)		
(Valued at lower of cost or net realisable value)		
TOTAL	<u>891.64</u>	<u>134.44</u>
	<u>891.64</u>	<u>134.44</u>
 SCHEDULE H :		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months		
24.67		18.37
Other Debts		
<u>3,851.00</u>		<u>2,332.50</u>
TOTAL	<u>3,875.67</u>	<u>2,350.87</u>
	<u>3,875.67</u>	<u>2,350.87</u>
 SCHEDULE I :		
CASH AND BANK BALANCES		
A Cash on hand	2.56	4.15
B Balance with Scheduled Banks in :		
Current Account	138.69	387.77
Fixed Deposit Account (lodged with Government Authorities)	<u>0.14</u>	<u>5.99</u>
TOTAL	<u>138.82</u>	<u>393.76</u>
	<u>141.39</u>	<u>397.91</u>

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2010	AS AT 31-Mar-2009
SCHEDULE J:		
LOANS AND ADVANCES		
(Unsecured , Considered Good)		
A		
Loans		
G.Varadan Pvt.Ltd. - Subsidiary Company (Interest free and no repayment schedule) (Maximum amount during the year ₹ 0.10 Lakhs. Previous year ₹ 0.10 Lakhs)	0.10	0.10
Lahoti Terra Knitfab Limited - Associates company (Interest free -Since Received) (Maximum amount during the year ₹ 189.46 Lakhs. Previous year ₹ 162.81 Lakhs)	8.26	162.81
Body Corporate	15.78	15.78
Others	-	8.18
Employees	4.34	4.64
	28.48	191.51
B		
Advances		
Advance Tax Paid & TDS	178.60	176.22
Sundry Deposits	62.45	62.05
Export Incentive Receivable	594.41	17.73
Advance To Supplier	582.85	329.58
Advance Recoverable in cash or in kind or for value to be received	136.59	24.74
	1,554.89	610.32
TOTAL	1,583.37	801.83
SCHEDULE K :		
CURRENT LIABILITIES AND PROVISIONS		
A		
LIABILITIES		
Sundry Creditors		
For goods	33.82	58.30
For Commission	38.42	61.39
For Expenses	93.96	34.54
For Capital Goods	163.78	53.97
	329.97	208.21
Advance from Buyers	485.80	46.66
Other Current Liabilities	20.68	36.68
	836.45	291.55
B		
PROVISIONS		
Provision for Taxation	33.47	14.74
Proposed Dividend	117.53	58.77
Corporate Dividend Tax	19.97	9.99
	170.97	83.49
TOTAL	1,007.43	375.04

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2010	AS AT 31-Mar-2009
SCHEDULE L:		
OTHER INCOME		
Commission	-	0.87
Dividend Received	15.09	21.52
Interest Received	0.59	2.35
Rent Received	3.75	5.31
Miscellaneous Receipt	2.29	0.21
Insurance Claim Received	-	0.37
Profit on sale of Investments	13.65	-
Profit on sale of Fixed Asset	0.68	-
Sundry Balance Written Back	0.20	0.09
TOTAL	<u>36.23</u>	<u>30.72</u>
SCHEDULE M:		
COST OF SALES		
Opening Stock	134.44	462.22
Add: Purchases & Other Direct Expenses	25,238.09	13,609.24
	<u>25,372.53</u>	<u>14,071.46</u>
Less: Closing Stock	(891.64)	(134.44)
TOTAL	<u>24,480.89</u>	<u>13,937.02</u>

LAHOTI OVERSEAS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010



PARTICULARS	AS AT 31-Mar-2010	AS AT 31-Mar-2009
SCHEDULE N :		
OFFICE, ADMINISTRATION AND SELLING EXPENSES		
Ocean Freight	433.45	235.59
Local Freight	327.42	196.49
Operational Expenses (Wind Power)	19.53	18.72
Premium For Keyman Policy	12.82	13.08
Salaries and Employee related Benefits	60.66	96.80
Conveyance & Travelling	39.72	35.39
Overseas Commission	92.38	78.57
Bad Debt	-	11.96
Advertisement Expenses	1.04	0.96
Legal and Professional Charges	16.81	16.33
Postage and Telephone Charges	16.55	17.99
Rent, Rates and Taxes	9.49	41.84
Directors' Remuneration	15.05	14.40
Sales Promotion Expenses	6.57	11.57
Office & General Expenses	9.01	23.61
Insurance Premium	10.99	7.24
Local Commission	10.05	12.91
Motor Car Expenses	5.55	6.20
Repairs & Maintenance	7.77	8.97
Electricity Charges	4.08	8.03
Port Fees	0.75	0.08
Printing and Stationary	3.04	3.13
Auditor's Remuneration	2.99	2.48
Provision For Bad & Doubtful Debts	8.18	-
Donation	0.11	0.11
TOTAL	1,114.02	862.43
SCHEDULE O:		
INTEREST AND FINANCE CHARGES		
Bank Charges and Commission	79.21	31.59
Interest On Loan	5.07	-
Bank Interest	29.98	28.23
TOTAL	114.26	59.82

SCHEDULE "P": -

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles [GAAP], in compliance with the provisions of Companies Act, 1956 and Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government.

The preparation of financial statements in conformity with GAAP requires that the management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and disclosures related to contingent liabilities as of the date of financial statements. Examples of such estimate includes future obligation in respect of retirement benefit plans, etc. Differences if any, between the actual results and estimates is recognised in the period in which the results are known.

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 corporate Affairs.
- ii) Depreciation on assets acquired/disposed off during the year is provided on pro-rata basis with reference to the date of acquired/disposal.

D. REVENUE RECOGNITION:

- i) The company accounts for its Export Sales, consistently on the basis of date of Bill of Lading. This applies to all export sales made on Cost Insurance and Freight (CIF), Free on Board (FOB), Cost & Freight (C & F), and Cash Against Delivery of Documents (CADD) basis.
- ii) Income from sale of power is recognized on per Kilo Watt Hour(s).
- iii) Income form trading is recognized on accrual basis.
- iv) Dividend income from Investments is recognized when the company's right to receive payment is established.
- v) Interest income is recognized on the time proportion basis taking into account the amount outstanding and the rate applicable.
- vi) Export benefits under duty entitlement passbook and duty drawback are accounted on accrual basis to the extent considered receivable.

E. INVESTMENTS:

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 permanent in nature.

F. INVENTORIES:

Inventories are valued at lower of cost or net realizable value after providing for obsolescence, if any.

G. FOREIGN CURRENCY TRANSACTIONS:

- 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 of 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 gain / 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:

Following specific accounting policies have been followed for segment reporting:

- i) Segment revenue includes sales and other income directly identifiable with/allocable to the segment.
- ii) Expenses that are directly identifiable with/allocable to segment are considered for determining the segment result.
- iii) Segment assets and liabilities include those directly identifiable with the respective segments.

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.

K. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

1. Provisions are recognised for liabilities that can be measured or by using a reasonable degree of estimation.
 - i) the company has a present obligation as a result of a past event,
 - ii) a probable outflow of resources is expected to settle the obligation and
 - iii) the amount of the obligation can be reliably estimated.

2. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.
3. Contingent Liability is disclosed in case of
 - i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
 - ii) a present obligation arising from past events, when no reliable estimate is possible; and
 - iii) a possible obligation from past events where the probability of outflow of resources is not remote.
4. Contingent assets are neither recognised, nor disclosed.
5. Provisions, Contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

L. IMPAIRMENT OF ASSETS

An assets is treated as impaired when the carrying cost of assets exceed its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified by management as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

SCHEDULE "Q":

NOTES ON ACCOUNTS

1. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amount and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
2. 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.
3. Contingent Liabilities:
Contingent Liabilities not provided for in respect of:
 - a) Income tax matters ₹ 42.53 Lakhs
 - b) Bill Discounted ₹ 117.91 Lakhs (Previous Year ₹ 123.82 Lakhs)
4. Prior Period Items:

(₹ in Lakhs)

	Current Year	Previous Year
Income Tax for earlier year	(61.89)	0.95
Reversal of Deferred Tax Liability – See Note 14	110.93	
Expenses related to earlier year		(14.86)
Net Credit / (Debit)	49.04	(13.91)

5. Expenditure in foreign currency:

(₹ in Lakhs)

	Current Year	Previous Year
Foreign Bank Charges	22.70	13.63
Foreign Traveling Expenses	13.87	09.51
Overseas Commission	92.38	78.57
TOTAL	128.95	101.71

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

6. Earning in Foreign Exchange:

FOB value, including third party export: ₹ 24,270.93/- Lakhs (Previous Year ₹ 14,420.15 Lakhs)

7. Auditor's Remuneration:

(₹ in Lakhs)

	Current Year	Previous Year
Audit fees	1.38	1.38
Tax Audit Fees	0.45	0.28
Tax Matters	0.65	0.22
Certification Fees	0.46	0.11
Other Fees	0.06	0.49

8. Managerial Remuneration:

(₹ in Lakhs)

(a) Managerial Remuneration

	Current Year	Previous Year
Managing Director and Whole time Director		
Salary	15.05	14.40
Perquisites	3.33	-
Total	18.38	14.40

(b) Computation of Profit as per Section 349

	Current Year	Previous Year
Profit As per Profit & Loss Account	809.65	124.21
Add :		
Director Remuneration	15.05	14.40
Provision for Doubtful Debts	8.18	-
Depreciation As per books	<u>90.95</u>	<u>133.26</u>
	114.19	147.66
Less :		
Profit on sale of Investment	13.65	(10.27)
Depreciation As per books of Accounts	<u>90.95</u>	<u>133.26</u>
	(104.60)	(122.99)
Profit under Section 349 of the Companies Act, 1956	<u>819.23</u>	<u>148.88</u>

Maximum remuneration payable:

(a) 10% of the above to the Managing Director and Whole time Directors	81.92	14.89
(b) 1% of the above to the Non-whole time Directors	8.19	1.49

(c) Remuneration paid / provided to the Managing Director and Whole time Director

9. The information as required under Micro, Small and Medium Enterprises Development Act, 2006 was called from relevant parties. In view of no response, no such information is furnished.

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.

11. Particulars in respect of opening stock, purchases, closing stock and sales of goods traded during the period ended on March 31, 2010:

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

PARTICULARS	Unit of Measurement	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
		QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE
		(Kgs./Meters)	(₹)	(Kgs./Meter)	(₹)	(Kgs./Meters)	(₹)	(Kgs./Meters)	(₹)
Yarns	Mtrs	140,182 (2,69,030)	134.44 (403.50)	2,04,64,865 (1,23,83,604)	25,241.23 (13,259.77)	1,98,76,162 (1,25,12,453)	25,059.88 (14,640.81)	7,28,885 (140,182)	891.64 (134.44)
Fabrics	Mtrs	-	-	-	-	-	-	-	-
		(-)	(-)	(1,85,491)	189.35	(1,85,491)	(218.87)	(-)	(-)
Cotton	Kgs.	-	-	-	-	-	-	-	-
		(-)	(-)	(46,370)	(28.95)	(46,370)	(32.32)	(-)	(-)
Paper	Kgs.	-	-	-	-	-	-	-	-
		(1,78,701)	(58.72)	(52,719)	(14.02)	(231,420)	(77.19)	(-)	(-)
Total			134.44 (461.94)		25241.23 (13492.09)		25059.88 (14969.19)		891.64 (134.44)

12. Related Party Disclosure: -

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

<u>Subsidiary Companies:</u>	Holding (%)
Lahoti Spintex Limited	100
G. Varadan Limited	100

<u>Associate Companies:</u>	
Lahoti Terra Knitfab Limited	48.93

Other Related Parties:
 PSWare Information Private Limited
 Sri Lakshmi Exports (Partnership Firm)
 Kirti Stock Brokers Private Limited
 Bauble Investment Private Limited

Key Management Personnel:
 Shri Umesh R. Lahoti - Managing Director
 Shri Ujwal R Lahoti - Executive Director
 Shri Adhitiya Lahoti - Jt. Executive Director

ii) Transactions during the year with related parties:

(₹ in Lakhs)

Nature of Transaction	Lahoti Terra Knitfab Ltd (Associates)		PSWare Information Pvt. Ltd.(Related Company)		Lahoti Spintex Ltd. (Subsidiary)		Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Loan and advances Given	26.65	162.81	-	-	-	-	-	-
Refund of Loan and advances Given	181.20	-	-	-	-	-	-	-
Repayment of loan and advances taken	-	-	-	-	0.02	-	-	-
Rent Paid	-	-	0.60	0.60	-	-	-	-
Managerial Remuneration	-	-	-	-	-	-	15.05	14.40
Outstanding balances								
<u>Loans and Advances</u>								
Receivable	8.26	162.81	-	-	-	-	-	-
Payable	-	-	-	0.60	4.21	4.23	1.30	-

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

13. Earning Per Share:

	As At 31 Mar 2010	As At 31 Mar 2009
1. Net profit available for Equity shareholders (₹ in Lakhs)	622.76	96.17
2. Number equity shares for basic Earning Per Share	2,92,29,293	2,92,29,293
3. Basic Earning Per Share (in ₹)	2.13	0.33
4. Face value per share	₹ 2	₹ 2

14. Deferred Tax :

The deferred tax liability as at March 31, 2010 comprise of the following:-

(₹ in Lakhs)

Item	Opening Balance DTL / (DTA)	Provision During the Year	Reversal During the year	Closing Balance
Depreciation	172.63	97.58	110.93*	159.28
Others	(3.06)	(0.01)	--	(3.07)
Total	169.57	97.57	110.93	156.23

*Represents reversal of Deferred tax liability in view of exemption U/s 80IA of Income tax act, 1961 from earlier years and in accordance with "Accounting standard interpretation 3" to AS 22 on "Accounting for Taxes on Income"

15. Company has not able to appoint a Company Secretary during the year. In spite of it's best efforts.
16. The company has taken effort to verify the closing balances of the sundry creditors / Debtors subject to pending confirmations.
17. Additional Disclosure pursuant to clause 32 of Listing Agreement, (Excepting for employees) is made under schedule "J" to the Accounts.

SIGNATURES TO THE SCHEDULES "A to "P" AND NOTES TO ACCOUNTS "Q"

PER OUR REPORT ATTACHED

Per our report attached of even date

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

For & On behalf of the Board

Director

Director

Place: Mumbai

Dated: August 13, 2010

Place: Mumbai

Dated: August 13, 2010



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-10
2) Capital Raised During the year		
(Amounts in ₹ 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 ₹ Thousands)		
Total Liabilities	:	799,387
Total Assets	:	799,387
Sources of Funds		
Paid up Capital	:	58,459
Reserves & Surplus	:	457,856
Secured Loans	:	257,027
Unsecured Loans	:	10,422
Deferred Tax Liability	:	15,623
Application of Funds		
Net Fixed Assets	:	138,153
Investments	:	112,770
Net Current Assets	:	548,464
Misc. Expenditure	:	-
Profit and Loss Account	:	-
4) Performance of Company		
(Amounts in Rs. Thousands)		
Turnover	:	2,660,977
Total Expenditure	:	2,580,013
Profit Before Tax	:	80,965
Profit After Tax	:	57,373
Earnings Per Share in ₹ (Annualized)	:	2.13
Dividend Rate %	:	20%
5) Genericnames 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.

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

For On behalf of the Board

Director

Director

Place: Mumbai

Dated: August 13, 2010

Place: Mumbai

Dated: August 13, 2010

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	31 st March, 2010	31 st March, 2010
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 ₹ 10 Each.	5,000 Equity Shares of ₹ 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 31 st March, 2010	Nil	₹ (4,27,938)
	ii) For the Previous Financial Years of the Subsidiary Companies since they became the Holding Company's Subsidiaries.	Nil	₹ 4,13,163
	B. Dealt With In Holding Company's Accounts:		
	i) For The Financial Year Ended 31 st March, 2010	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 of Directors

Place: Mumbai

Date : 13/08/2010

Director

Director

DIRECTOR'S REPORT

To the members,

Your directors have pleasure in presenting their **Fiftieth 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, 2010 together with auditor's report.

2. Financial Results: (Amount in ₹)

Particulars	2009-2010	2008-2009
Profit Before Tax	(4,28,439)	(4,647)
Less: Provision For Taxation		
Current Tax	---	---
Deferred Tax	(501)	(40)
Profit After Tax	(4,27,938)	(4,607)
Add: Balance b/f From Previous Year	4,13,163	4,17,769
Balance Carried To Balance Sheet	14,775	4,13,163

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

3. DIVIDEND:

No Dividend was recommended for the financial year 2009-2010.

4. DIRECTORS :

Smt. Rukmini Lahoti Retire by rotation and being eligible offers herself 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 ₹ 24,00,000/- or more per annum if employed throughout the year or ₹ 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 : ₹ Nil (P.Y. ₹ Nil)

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

8. 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 along with 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.

Place: Mumbai.
Date : 13/08/2010

For & on behalf of the
Board of Directors,

Director Director

AUDITORS' REPORT TO THE MEMBERS OF G. VARADAN LIMITED

We have audited the attached Balance Sheet of **G. VARADAN LIMITED**, as at March 31, 2010 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.

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.

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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies, 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, 2010;
and
 - ii. in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Dated: August 13, 2010

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

ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

(Referred to in Paragraph 1 thereof)

- i. The nature of the Company's activities during the year are such that clause (i)(c),(ii),(iii),(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 not taken any loan in the previous year from the companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act.
- 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. 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.

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Dated: August 13, 2010

G. VARADAN LIMITED

BALANCE SHEET AS AT MARCH 31, 2010



(Amount in ₹)

PARTICULARS	SCHEDULE	AS AT 31-Mar-2010	AS AT 31-Mar-2009
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUND			
Share Capital	A	500,000	500,000
Reserves & Surplus	B	-	413,162
2. LOAN FUNDS			
Unsecured Loan	C	10,000	10,000
3. DEFERRED TAX LIABILITY		1,354	1,855
TOTAL FUNDS EMPLOYED		511,354	925,017
II. APPLICATION OF FUNDS			
1. FIXED ASSETS	D		
a) Gross Block		46,472	46,472
b) Less : Depreciation		40,244	39,916
c) Net Block		6,228	6,556
2. INVESTMENTS	E	460,750	460,750
3. CURRENT ASSETS, LOANS AND ADVANCES	F	56,866	490,870
LESS : CURRENT LIABILITIES AND PROVISIONS	G	27,266	33,159
NET CURRENT ASSETS		29,600	457,711
4. MISCELLANEOUS EXPENDITURE PROFIT & LOSS A/C		14,775	-
TOTAL ASSETS (NET)		511,354	925,017

NOTES TO ACCOUNTS

I

Per our report attached of even date

Pankaj Ghadiali
Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.
Chartered Accountants
Firm No. 103132W

FOR & ON BEHALF OF THE BOARD

Director

Director

Place: Mumbai

Dated: August 13, 2010

Place : Mumbai

Dated: August 13, 2010

G. VARADAN LIMITED



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

(Amount in ₹)

PARTICULARS	SCHEDULE	AS AT	
		31-Mar-2010	31-Mar-2009
I. INCOME			
Dividend Received		<u>26,412</u>	<u>6,022</u>
		26,412	6,022
II. EXPENDITURE			
Administrative, Selling and Other Expenses	H	454,523	10,324
Depreciation		<u>328</u>	<u>345</u>
		454,851	10,669
III. PROFIT FOR THE YEAR		(428,439)	(4,647)
IV. PROVISION FOR TAXATION			
(I) Current Tax		-	-
(II) Deferred Tax		<u>(501)</u>	<u>(40)</u>
		(501)	(40)
V. PROFIT/LOSS AFTER TAXATION		(427,938)	(4,607)
VI. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		413,163	417,769
VII. APPROPRIATIONS/ADJUSTMENTS		-	-
VIII. BALANCE CARRIED TO BALANCE SHEET		<u>(14,775)</u>	<u>413,163</u>
BASIC EARNINGS PER SHARE		(85.59)	(0.92)
DILUTED EARNINGS PER SHARE		-	-
FACE VALUE PER SHARE		100.00	100.00

NOTES TO ACCOUNTS

I

Per our report attached of even date

Pankaj Ghadiali
Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

FOR & ON BEHALF OF THE BOARD

Director

Director

Place: Mumbai

Dated: August 13, 2010

Place : Mumbai

Dated: August 13, 2010

G. VARADAN LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Amount in ₹)

PARTICULARS	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items	(428,439)	(4,647)
Add: Interest	-	-
Depreciation	328	345
(Profit)/Loss on Sale of Shares/Units	-	-
Dividend Received	(26,412)	(6,022)
	(26,084)	(5,677)
Operating profit before working Capital	(454,523)	(10,324)
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Trade & Other Receivable	432,310	-
Increase/(Decrease) Current Liabilities & Provision	(5,893)	(165)
	426,417	(165)
Cash Generated from Operations	(28,106)	(10,489)
Cash Flow Before Extraordinary Items	(28,106)	(10,489)
Less: Extraordinary Items	-	-
Cash Flow After Extraordinary Items	(28,106)	(10,489)
B CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Received	26,412	6,022
Net Cash Used for Investing Activities	26,412	6,022
C CASH FLOW FROM FINANCING ACTIVITIES		
Net cash From Financing Activities	-	-
Net Increase in Cash and Cash Equivalents (A+B+C)	(1,694)	(4,467)
Cash and Cash Equivalents (OPENING BALANCE)	32,966	37,433
Cash and Cash Equivalents (CLOSING BALANCE)	31,272	32,966
	(1,694)	(4,467)

Per our report attached of even date

Pankaj Ghadiali
Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

FOR & ON BEHALF OF THE BOARD

Director

Director

Place: Mumbai

Dated: August 13, 2010

Place : Mumbai

Dated: August 13, 2010

G. VARADAN LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(Amount in ₹)

PARTICULARS	AS AT 31-Mar-2010	AS AT 31-Mar-2009
SCHEDULE A		
SHARE CAPITAL		
Authorised :		
5,000 Equity Share of ₹ 100 each (Previous year 5,000 Equity Shares of ₹100 each)	500,000	500,000
Issued, Subscribed & Paid-up :		
5,000 Equity Shares of ₹ 100 each fully paid-up (Previous year 5,000 Equity Shares of ₹100 each)	500,000	500,000
PER BALANCE SHEET.....	500,000	500,000
SCHEDULE B		
RESERVES & SURPLUS		
PROFIT AND LOSS ACCOUNT		
Balance as per last year	413,162	417,769
Add/Less : Transfer from P&L Account	(427,938)	(4,607)
PER BALANCE SHEET.....	(14,775)	413,162
SCHEDULE C		
LOAN FUNDS		
UNSECURED LOAN		
From Holding Company	10,000	10,000
	10,000	10,000

SCHEDULE D

FIXED ASSETS

DESCRIPTION	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	As On 01.04.2009	As On 31.03.2010	As On 01.04.2009	For the Year	As On 31.03.2010	As On 31.03.2010	As on 31.03.2009
Office Premises	46,472	46,472	39,916	328	40,244	6,228	6,556
As at 31st March, 2010	46,472	46,472	39,916	328	40,244	6,228	6,556
As at 31st March, 2009	46,472	46,472	39,571	345	39,916	6,556	

G. VARADAN LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(Amount in ₹)

PARTICULARS	No. of Units	AS AT 31-Mar-2010	AS AT 31-Mar-2009
SCHEDULE E			
INVESTMENTS			
15 Shares of ₹ 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
('Aggregate Market Value as on 31.03.2010 - ₹ 3,39,497/-)			
('Aggregate Market Value as on 31.03.2009 - ₹ 1,52,969/-)			
PER BALANCE SHEET.....		460,750	460,750
SCHEDULE F			
CURRENT ASSETS, LOANS AND ADVANCES			
CURRENT ASSETS			
1 Sundry Debtors			
(Unsecured, considered good)			
Debts outstanding for a			
period exceeding 6 months	-	-	450,692
			450,692
2 Cash and Bank Balance			
Cash on Hand	1,069		1,069
Bank in Current Account with Scheduled Bank	30,203		31,897
		31,272	32,966
LOANS AND ADVANCES			
Advance recoverable in cash or kind			
or for value to be received		25,594	7,212
PER BALANCE SHEET.....		56,866	490,870
SCHEDULE G			
CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors for Expenses		8,824	14,717
		8,824	14,717
PROVISIONS			
For Taxation		18,442	18,442
PER BALANCE SHEET.....		27,266	33,159
SCHEDULE H			
ADMINISTRATIVE AND OTHER EXPENSES			
Sundry balances written off		444,799	-
Filing Fees		900	1,500
Professional Charges		3,309	3,309
Auditor's Remuneration		5,515	5,515
TOTAL		454,523	10,324



SCHEDULE I:

NOTES TO ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

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 liability as at March 31, 2010 comprise of the following: -

	2009-2010	2008-2008
Deferred Tax Asset: -		
On account of Fixed Assets	1,354/-	1,855/-

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

Pankaj Ghadiali
Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

For & on behalf of the Board

Director

Director

Place: Mumbai

Dated: August 13, 2010

Place : Mumbai

Dated: August 13, 2010



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

BALANCE SHEET ABSTRACT AND COMPANYS' GENERAL PROFILE

I. Companys' Registration Details

Registration No.	:	11,656
State Code	:	11
Balance Sheet Date	:	31.03.2010

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	:	511
Total Assets	:	511

Sources of Funds

Paid-up Capital	:	500
Share Application Money	:	NIL
Reserves and Surplus	:	-
Secured Loans	:	NIL
Unsecured Loans	:	10
Deferred Tax Liability	:	1

Application of Funds

Net Fixed Assets	:	6
Investments	:	461
Net Current Assets	:	30
Miscellaneous expenditure	:	
Profit and Loss A/c (Debit Balance)	:	15

IV. Performance of Company

Turnover	:	26
Total expenditure	:	455
Loss before tax	:	(428)
Loss after tax	:	(428)
Earning Per Share in Rs.	:	(86)
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
---------------------	---	--------------------------------------

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

FOR G. VARADAN LIMITED

Director

Place: Mumbai

Dated: August 13, 2010

Place : Mumbai,

Dated: August 13, 2010

DIRECTOR'S REPORT

To the members,

Your directors have pleasure in presenting their **Third 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, 2010 together with auditor's report.

2. FINANCIAL RESULTS:

(Amount in ₹)

Particulars	2009-2010	2008-2009
Profit Before Tax	Nil	Nil
Provision For Taxation		
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 2009-2010.

4. PARTICULARS REGARDING EMPLOYEES:

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

5. AUDITORS:

M/s. Lahoti Navneet & Co., Chartered Accountants, Mumbai the auditors of the company, has shown their unwillingness to continue as a Statutory Auditors of the Company, therefore appointment of M/s. Sanjay R. Soni & Associates, Chartered Accountants, Mumbai is recommended by the Board of Directors for the approval of the members till the conclusion of the next annual general meeting.

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 : ₹ Nil (P.Y. ₹ Nil)

Foreign Exchange Expenditure : ₹ Nil (P.Y. ₹ 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 along with 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.

Place: Mumbai.

Date : 20/07/2010.

**For & on behalf of the
Board of Directors,**

Director

Director

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, 2010. 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.

As required by companies (Auditors Report) Order, 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 the 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- 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, 2010.

For LAHOTI NAVNEET & CO.
CHARTERED ACCOUNTANTS

NAVNEET LAHOTI
PARTNER

Place : MUMBAI

Dated : 20th July 2010

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 2010.

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. 421,994/-

- (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 pursuant 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.
Chartered Accountants

Navneet Lahoti
Partner
Place : Mumbai
Date : 20th July 2010

LAHOTI SPINTEX LIMITED



BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2010

(Amount in ₹)

PARTICULARS	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
A SOURCES OF FUNDS			
Shareholders' Funds			
a) Share Capital	1	500,000	500,000
TOTAL		<u><u>500,000</u></u>	<u><u>500,000</u></u>
B APPLICATION OF FUNDS			
1 Current Assets, Loans and Advances			
Current Assets	2	41,320	42,340
Loans & Advances	3	421,994	423,679
		463,314	466,019
Less: Current Liabilities & Provisions			
Current Liabilities	4	6,640	5,567
NET CURRENT ASSETS		456,674	460,452
2 Miscellaneous Expenditure			
(To the extent not written off or adjusted)	5	43,326	39,548
TOTAL		<u><u>500,000</u></u>	<u><u>500,000</u></u>
NOTES TO ACCOUNT	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

PARTNER

M.N. 100529

PLACE : MUMBAI

DATE : 20th July 2010

DIRECTOR

DIRECTOR

LAHOTI SPINTEX LIMITED



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 1		
SHARE CAPITAL		
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		
CURRENT ASSETS		
CASH & BANK BALANCES :		
Balance with scheduled Bank	41,320	42,340
	<u>41,320</u>	<u>42,340</u>
SCHEDULE 3		
CURRENT ASSETS, LOANS & ADVANCES		
LOANS & ADVANCES :		
To Bodies Corporate	421,994	423,679
	<u>421,994</u>	<u>423,679</u>
SCHEDULE 4		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LAIBILITIES		
SUNDRY CREDITORS :		
For Expenses	6,640	5,567
	<u>6,640</u>	<u>5,567</u>
SCHEDULE 5		
MISCELLANEOUS EXPENSES		
Preliminary Expenses	33,981	33,981
Pre Operative Expenes	9,345	5,567
	<u>43,326</u>	<u>39,548</u>

SCHEDULE : 6

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNT

1 Significant Accounting Policies

- a) The Accounts are prepared on Historical Cost Convention and Accrual basis.
 - b) Preliminary Expenses will be amortised equally over a period of Five Years from the year the Company commences its activities.
- 2 Since the Company has not commenced any activity upto 31.03.2010, No Profit & Loss Account has been prepared.
- 3 Pre-operative expenses will be apportioned to the assets once the activities will start. Necessary details as per Part I of schedule VI of the Companies Act, 1956 have been disclosed

Amount (in ₹)

Pre-operative Expenses :

Opening Balance as on 01 04 2009	5,567.00
Add : For Current year	
Auditors Remuneration	2,758.00
Filing Fees	600.00
Printing & Stationery	420.00
Closing Balance as on 31 03 2010	<u><u>9,345.00</u></u>

- 4 Balance Sheet Abstract & Company Business Profile as required under part IV of Schedule VI to the Companies Act 1956 is given as Annexure "I"
- 5 Other Information required under Part I & II of Schedule VI to the Companies Act, 1956 is either NIL or N.A.
Signatures to Schedule "1" to "6"

For LAHOTI NAVNEET & CO.
CHARTERED ACCOUNTANTS

For & on behalf of the Board

NAVNEET LAHOTI

PARTNER

M.N. 100529

PLACE : MUMBAI

DATE : 20th July 2010

Director

Director

**ANNEXURE I
BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS
PROFILE FOR THE YEAR ENDED 31ST MARCH 2010.**

1 . Registration Details		
Registration No.	:	U17299MH2007PLC168316
State Code	:	11
Balance Sheet	:	40268
2 . Capital Raised During the Year.		
Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
3 . Position of Mobilization & deployment of fund		(₹ In Thousand)
Total Liabilities	:	500
Total Assets	:	500
Sources of Funds		
Paid Up Capital	:	500
Reserve & Surplus	:	NIL
Secured Loans	:	NIL
Unsecured Loans	:	NIL
Net Deferred Tax Liability	:	NIL
Application of Funds.		
Net Fixed Assets	:	NIL
Investments	:	NIL
Net Current Assets	:	457
Miscellaneous Expenditure	:	43
Net Deferred Tax Assets	:	NIL
4 . Performance of The Company		(₹ In Thousand)
Turnover (Gross Receipts)	:	NIL
Total Expenditure	:	NIL
Profit / (Loss) Before Tax	:	NIL
Profit / (Loss) After Tax	:	NIL
Earnings Per Shares (In ₹)	:	NIL
Dividend Rate Included Special		
On Preference Shares	:	NIL
On Equity Shares	:	NIL
5 . Generic Names of the Principal Product	:	
Service of the Company (ITC Code)	:	TEXTILE
Production Description	:	

For LAHOTI NAVNEET & CO.
CHARTERED ACCOUNTANTS

NAVNEET LAHOTI
PARTNER
M.N. 100529
PLACE : MUMBAI
DATE : 20th July 2010

For & on behalf of the Board

Director **Director**

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF LAHOTI OVERSEAS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **LAHOTI OVERSEAS LIMITED**, as at March 31, 2010, 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 did not audit the financial statements of the following entities:
 - a) Lahoti Spintex Limited, a subsidiary, whose financial statements reflect total assets (net of current liabilities and provisions) of ₹ 5 Lakhs as at March 31, 2010.
 - b) Lahoti Terra Knitfab Limited, an associate, which has been accounted for on the basis of equity method, which reflects the Group's share of losses up to March 31, 2010 of ₹ 1.02 Lakhs and the Group's share of losses for the year then ended of ₹ 1.17 Lakhs.
- These financial statements and other financial information have been audited by other auditors
- whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these entities, is based solely on the reports of other auditors.
4. 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.
 5. 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.
 6. 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 March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 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 March 31, 2010;
- (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.

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Dated: August 13, 2010

LAHOTI OVERSEAS LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010



(₹ in Lakhs)

PARTICULARS	SCHEDULE	AS AT 31-Mar-2010	AS AT 31-Mar-2009
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	"A"	584.59	584.59
b) Reserves & Surplus	"B"	4,574.60	4,097.16
		5,159.18	4,681.75
2. LOAN FUNDS			
a) Secured Loans	"C"	2,570.27	390.98
b) Unsecured Loans	"D"	100.00	-
		2,670.27	390.98
3. DEFERRED TAX LIABILITY		156.24	169.59
TOTAL FUNDS EMPLOYED		7,985.70	5,242.31
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	"E"	2,256.98	1,872.51
b) Less : Depreciation		835.59	867.33
c) Net Block		1,421.40	1,005.19
2. INVESTMENTS	"F"	1,078.69	921.87
3. CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	"G"	891.64	134.44
b) Sundry Debtors	"H"	3,875.67	2,355.37
c) Cash and Bank Balances	"I"	142.11	398.67
d) Loans and Advances	"J"	1,583.53	801.81
		6,492.94	3,690.29
LESS : CURRENT LIABILITIES AND PROVISIONS	"K"		
a) Liabilities		836.61	291.75
b) Provisions		171.16	83.68
		1,007.77	375.43
NET CURRENT ASSETS		5,485.18	3,314.86
4 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	"L"	0.43	0.40
TOTAL ASSETS (NET)		7,985.70	5,242.31
SIGNIFICANT ACCOUNTING POLICIES	"Q"		
NOTES TO ACCOUNTS	"R"		

Per our report attached of even date

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Dated: August 13, 2010

For & On behalf of the Board

Director

Director

Place: Mumbai

Dated: August 13, 2010

LAHOTI OVERSEAS LIMITED



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

(₹ in Lakhs)

PARTICULARS	SCHEDULE	AS AT 31-Mar-2010	AS AT 31-Mar-2009
I. INCOME :			
Sales		25,058.74	14,966.85
Export Incentives		1,256.72	193.87
Exchange Rate Gain / (Loss)		113.49	(120.05)
Sale of Power		144.60	145.44
Other Income	"M"	36.30	30.78
		26,609.84	15,216.89
II. EXPENDITURE:			
Cost of Sales	"N"	24,480.89	13,937.02
Office, Administrative and Selling Expenses	"O"	1,118.36	862.54
Interest and Finance Charges	"P"	114.26	59.82
Loss on Sale of Fixed Assets		-	89.82
Loss on Sale of Investments		-	10.27
Depreciation		90.96	133.26
		25,804.48	15,092.73
III. PROFIT BEFORE TAXATION		805.36	124.16
IV. PROVISION FOR TAXATION			
a) CURRENT TAX		138.33	50.17
b) DEFERRED TAX		97.58	(24.49)
c) FRINGE BENEFIT TAX		-	2.35
		235.91	28.03
V. PROFIT AFTER TAXATION (BEFORE PRIOR PERIOD ITEMS)		569.45	96.13
VI. PRIOR PERIOD ADJUSTMENTS		49.04	(14.86)
EXCESS/ (SHORT) PROVISION		-	0.95
VII. PROFIT AFTER TAX (AFTER PRIOR PERIOD ITEMS)		618.48	82.22
VIII. NET SHARE OF PROFIT/(LOSS) IN ASSOCIATES		(1.17)	0.15
IX. PROFIT AFTER SHARE OF ASSOCIATES		617.32	82.37
X. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		2,784.91	2,770.93
XI. AMOUNT AVAILABLE FOR APPROPRIATION		3,402.23	2,853.30
XII. APPROPRIATIONS			
a) General Reserve		46.71	-
b) Proposed Dividend		117.53	58.77
c) Corporate Dividend Tax		19.97	9.99
		184.21	68.75
Less :			
a) Excess provision for Dividend written back		(0.31)	(0.37)
		183.91	68.38
XIII. BALANCE CARRIED TO BALANCE SHEET		3,218.32	2,784.91
XIV. SIGNIFICANT ACCOUNTING POLICIES	"Q"		
XV. NOTES TO ACCOUNTS	"R"		
XVI. EARNING PER SHARE			
BASIC EARNINGS PER SHARE (IN ₹)		2.12	0.33
DILUTED EARNINGS PER SHARE (IN ₹)		-	-
FACE VALUE PER SHARE (IN ₹)		2.00	2.00

Per our report attached of even date

Pankaj Ghadiali
Partner
Membership Number: 031745
For and on behalf of
P. C. Ghadiali & Co.
Chartered Accountants
Firm No. 103132W

For & On behalf of the Board

Director

Director

Place: Mumbai
Dated: August 13, 2010

Place : Mumbai
Dated: August 13, 2010

LAHOTI OVERSEAS LIMITED



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

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2010	AS AT 31-Mar-2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Prior Period items	805.36	124.15
Add: Interest (Net)	34.46	25.89
Depreciation	90.96	133.26
Loss on Sale / Redemption of Investments	-	10.47
Loss on sale of Fixed Asset	-	89.82
Profit on sale of Fixed Asset	(0.68)	-
Profit on Sale / Redemption of Investments	(13.65)	-
Rent Received	(3.75)	(5.31)
Dividend Received	(15.35)	(21.58)
	<u>91.99</u>	<u>232.55</u>
Operating profit before working Capital	<u>897.36</u>	<u>356.70</u>
(Increase)/Decrease in Inventories	(757.20)	327.78
(Increase)/Decrease in Trade & Other Receivable	(2,299.68)	175.37
Increase/(Decrease) Current Liabilities & Provision	544.86	(124.77)
	<u>(2,512.02)</u>	<u>378.39</u>
Cash Generated from Operations	<u>(1,614.66)</u>	<u>735.08</u>
Tax paid	(183.87)	(62.53)
Cash Flow Before Extraordinary Items	<u>(1,798.53)</u>	<u>672.55</u>
Extra ordinary Items / Adjustments (Prior Period Item)	-	(14.86)
Cash Flow After Extraordinary Items	<u>(1,798.53)</u>	<u>657.69</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(829.41)	(18.45)
Purchase of Investment	(59.31)	(3,966.03)
Sale of Fixed Asset	1.45	116.33
Sale of Investment	233.65	3,796.16
Interest Received	0.59	2.35
Dividend Received	15.35	21.58
Rent Received	3.75	5.31
Net Cash Used for Investing Activities	<u>(633.94)</u>	<u>(42.76)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(68.45)	(70.15)
Interest paid	(35.05)	(28.23)
Calls in Arrear (Premium) adjusted against Dividend	0.12	0.14
Increase/(Decrease) In Unsecured Loans	100.00	-
Increase/(Decrease) In Secured Loans	2,179.29	(161.01)
Net cash From Financing Activities	<u>2,175.92</u>	<u>(259.25)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	<u>(256.56)</u>	<u>355.68</u>
Cash and Cash Equivalents (OPENING BALANCE)	398.67	42.56
Cash and Cash Equivalents (CLOSING BALANCE)	<u>142.11</u>	<u>398.24</u>
	<u>(256.56)</u>	<u>355.68</u>

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.
 - Cash and cash equivalent at the end of year represents cash and bank balances.
 - Previous year's figures have been rearranged/regrouped, wherever necessary.
- This is the Cash Flow Statement referred to in our report of even date.

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

For & On behalf of the Board

Director

Director

Place: Mumbai

Dated: August 13, 2010

Place: Mumbai

Dated: August 13, 2010

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2010	AS AT 31-Mar-2009
SCHEDULE A :		
SHARE CAPITAL		
AUTHORISED		
3,00,00,000 Equity Shares of ₹ 2 each	610.00	600.00
ISSUED, SUBSCRIBED AND PAID-UP		
2,93,82,500 Equity Shares of ₹ 2 each	587.65	587.65
Less: Calls in Arrears (2,11,000 Equity Shares)	(3.06)	(3.06)
TOTAL	<u>584.59</u>	<u>584.59</u>
SCHEDULE B :		
RESERVES AND SURPLUS		
SHARE PREMIUM		
Opening Balance	916.48	916.48
Less: Calls In Arrears	(2.41)	(2.53)
	<u>914.06</u>	<u>913.95</u>
CONSOLIDATED REVENUE RESERVE		
	<u>3,613.83</u>	<u>3,183.21</u>
TOTAL	<u>4,574.60</u>	<u>4,097.16</u>
SCHEDULE C :		
SECURED LOANS		
Pre and Post Shipment Credit for Banks (Secured against hypothecation of stock and book debts)	1,970.07	390.98
Term Loan from Bank	600.00	-
Add: Interest Accrued	0.20	-
(Secured by way of equitable mortgage Against Wind Power machine at Distt. Nandurbar, Maharashtra)		
TOTAL	<u>2,570.27</u>	<u>390.98</u>
SCHEDULE D:		
UNSECURED LOANS		
From Others (Inter-corporate deposits)	100	-
	<u>100</u>	<u>-</u>

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

SCHEDULE E: FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 31/03/2009	Addition	Deduction	As At 31/03/2010	As At 31/03/2009	For the Year	Deduction	As At 31/03/2010	As At 31/03/2010	As At 31/03/2009
Goodwill (AS 21)	39.80	-	-	39.80	-	-	-	-	39.80	39.80
Land	72.44	15.91	-	88.35	-	-	-	-	88.35	72.44
Building *	468.25	-	433.95	34.30	130.30	0.96	115.27	15.99	18.31	337.95
Plant & Machinery	1,092.92	811.70	-	1,904.62	596.86	76.46	-	673.32	1,231.29	496.06
Furniture & Fixtures	79.02	0.38	-	79.40	54.08	4.56	-	58.63	20.77	24.95
Motor Car	85.84	-	8.15	77.69	59.64	6.76	7.38	59.01	18.68	26.21
Computers	31.44	1.42	0.05	32.82	26.45	2.22	0.05	28.62	4.20	4.99
Total As On 31.03.2010	1,869.72	829.41	442.14	2,256.98	867.33	90.96	122.70	835.59	1,421.40	1,002.39
Total As On 31.03.2009	2,057.91	18.45	246.91	1,872.51	774.45	133.26	40.78	867.33	1,005.19	2.80

* Note: Deduction of ₹ 433.95 Lakhs represents transfer to Investments, net of accumulated depreciation thereon.

PARTICULARS	No. of Shares	AS AT 31-Mar-2010	AS AT 31-Mar-2009
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SCHEDULE F :

INVESTMENTS (AT COST, NON TRADE AND NON CURRENT UNLESS OTHERWISE SPECIFIED)

A) EQUITY SHARES (Quoted)			
1 Emami Limited (Previous year - 2200 shares of ₹ 2 each)	2,200	1.54	1.54
2 Emami Limited (Previous year - NIL)	733	0.00	-
2 Jet Airways Limited (Previous year - 356 shares of ₹ 10 each)	356	3.92	3.92
3 TCS Limited (Previous year - 1148 shares of ₹ 1 each)	1,148	2.44	2.44
4 Punjab National Bank (Previous year - 3943 shares of ₹ 10 each)	3,943	4.61	4.61
5 Union Bank Ltd (Previous year - 2,900 shares of ₹ 10 each)	2,900	0.46	0.46
6 Comfort Intech Limited (Previous year - 1,31,500 shares of ₹ 10 each)	131,500	23.62	23.62
7 L.G.Balkrishna Ltd (Previous year - 1,000 shares of ₹ 1 each)	1,000	0.02	0.02
8 Bank of India (Previous year-900 shares of ₹ 10 each)	900	0.41	0.41
9 Cadila Health Care Limited (Previous year - 1200 shares of ₹ 10 each)	1,200	1.49	1.49
10 FCS Software Ltd. (Previous year - 741 shares of ₹ 10 each)	14,820	0.37	0.37

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

PARTICULARS	No. of Shares	AS AT 31-Mar-2010	AS AT 31-Mar-2009
11 GSPL Ltd. (Previous year - 2253 shares of ₹ 10 each)	2,253	0.61	0.61
12 Reliance Industries Limited (Previous year - 2778 shares of ₹ 10 each)	346	1.67	1.67
13 LGB Forge Limited (Previous year - 1000 shares of ₹ 10 each)	100	0.02	0.02
14 Zydus Wellness Limited (Previous year - 320 shares of ₹ 10 each) (Aggregate Market Value of Quoted Investment - ₹ 1,58,85,529) (Previous Year ₹ 67,92,943)	320	0.01	0.01
(A)		<u>41.18</u>	<u>41.18</u>
B) EQUITY SHARES (Unquoted)			
1 Web Source Tech. Limited. (Previous year - 50,000 shares of ₹ 10 each)	50,000	50.00	50.00
2 Arun Com. Premises Co-operative Society Limited (Previous year - 15 shares of ₹ 50 each)	15.00	0.01	0.01
(B)		<u>50.01</u>	<u>50.01</u>
C) INVESTMENT IN ASSOCIATES COMPANY (Unquoted)			
3 Lahoti Terra Knitfab Ltd. (Previous year - 4,87,600 shares of ₹ 100 each) (including Goodwill of ₹ 74,87,955 arising on acquisition) Less: Adjustment for post-acquisition share of Profit/(Loss) of associates (Equity Method)	487,600	558.36 (1.02)	558.36 0.15
(C)		<u>557.34</u>	<u>558.51</u>
D) UNITS OF MUTUAL FUNDS	Units		
Fidelity India Situations Fund (Previous Year - 2,44,498.778 units of ₹ 10 each)		-	25.00
Reliance Liquid Fund (Previous Year - NIL)		-	-
AIG Fixed Maturity Plan- I Series- I (Previous Year - 10,000 units of ₹ 10 each)		-	100.00
DSPBR G-Sec.Plan-A-Monthly Div (Previous Year - 855840.435 units of ₹ 10 each)		-	95.00
HSBC Equity Fund (Previous Year - 9771.303 units of ₹ 10 each)	12,228.93	11.00	6.00
Reliance Growth Fund (Previous Year - 2258.588 units of ₹ 10 each)	2,488.76	9.00	5.00
JM Basic Fund (Previous Year - 8344.989 units of ₹ 10 each)	8,344.99	2.50	2.50
Reliance Diversified Power Sector Fund - Dividend Plan (Previous Year - 4014.843 units of ₹ 10 each) (Aggregate market value ₹ 2,29,28,047) (Previous Year ₹ 2,22,79,039)	4,014.84	2.10	2.10
(D)		<u>24.60</u>	<u>235.60</u>

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

PARTICULARS	No. of Shares	AS AT 31-Mar-2010	AS AT 31-Mar-2009
E) INVESTMENT IN PROPERTY			
Flat at Pune		25.38	25.38
Plot of land (At Ahmednagar)		11.00	11.00
Flat at Mumbai (Transferred from Fixed Assets)		318.68	-
	(E)	<u>355.05</u>	<u>36.38</u>
F) INVESTMENT (OTHERS)			
National Saving Certificates		0.20	0.20
NABARD Bhavishya Nirman Bond (Previous Year - NIL)	500 Units	50.31	-
(Market Value ₹ 50,53,955/-)			
	(F)	<u>50.51</u>	<u>0.20</u>
TOTAL (A+B+C+D+E+F)		<u>1,078.69</u>	<u>921.87</u>
SCHEDULE G :			
INVENTORIES			
Stock in Transit :			
(As per inventories valued and certified by Managing Director)			
(Valued at lower of cost or net realisable value)			
		891.64	134.44
TOTAL		<u>891.64</u>	<u>134.44</u>
SCHEDULE H :			
SUNDRY DEBTORS			
(Unsecured, Considered Good)			
Debts outstanding for a period exceeding six months			
	24.67		22.87
Other Debts	3,851.00		2,332.50
		3,875.67	2,355.37
TOTAL		<u>3,875.67</u>	<u>2,355.37</u>
SCHEDULE I :			
CASH AND BANK BALANCES			
A Cash on hand		2.57	4.16
B Balance with Scheduled Banks in :			
Current Account	139.40		388.51
Fixed Deposit Account (lodged with Government Authorities)	0.14	139.54	5.99
			<u>394.51</u>
TOTAL		<u>142.11</u>	<u>398.67</u>
SCHEDULE J:			
LOANS AND ADVANCES			
(Unsecured , Considered Good)			
A Loans			
Lahoti Terra Knitfab Ltd. - Associate Company (interest free and No repayment schedule)	8.26		162.81
(Maxmium outstanding during the year ₹189.46 Lakhs. Previous Year ₹ 162.81 Lakhs)			
Body Corporate	15.78		15.78
Others	-		8.18
Employees	4.34		4.64
		28.38	<u>191.41</u>

LAHOTI OVERSEAS LIMITED



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-2010	AS AT 31-Mar-2009
B Advances		
Advance Tax Paid & TDS	178.67	176.30
Sundry Deposits	62.45	62.05
Export Incentive Receivable	594.41	17.73
Advance To Supplier	582.85	329.58
Advance Recoverable in cash or in kind or for value to be received	136.77	24.74
	<u>1,555.15</u>	<u>610.39</u>
TOTAL	<u><u>1,583.53</u></u>	<u><u>801.81</u></u>
SCHEDULE K : CURRENT LIABILITIES AND PROVISIONS		
A LIABILITIES		
Sundry Creditors		
For goods	33.82	58.30
For Commission	38.42	61.39
For Expenses	94.11	34.74
For Capital Goods	163.78	53.97
	<u>330.13</u>	<u>208.41</u>
Advance from Buyers	485.80	
Other Current Liabilities	20.68	83.34
	<u>836.61</u>	<u>291.75</u>
B PROVISIONS		
Provision for Taxation	33.65	14.93
Proposed Dividend	117.53	58.77
Corporate Dividend Tax	19.97	9.99
	<u>171.16</u>	<u>83.68</u>
TOTAL	<u><u>1,007.77</u></u>	<u><u>375.43</u></u>
SCHEDULE L: MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary Expenses	0.34	0.34
Pre Operative Expenses	0.09	0.06
	<u>0.43</u>	<u>0.40</u>
SCHEDULE M: OTHER INCOME		
Commission	-	0.87
Dividend Received	15.35	21.58
Interest Received	0.59	2.35
Rent Received	3.75	5.31
Miscellaneous Receipt	2.29	0.21
Insurance Claim Received	-	0.37
Profit on sale of Investments	13.65	-
Profit on sale of Fixed Asset	0.68	-
Sundry Balance Written Back	-	0.09
TOTAL	<u><u>36.30</u></u>	<u><u>30.78</u></u>
SCHEDULE N : COST OF SALES		
Opening Stock	134.44	462.22
Add: Purchases & Other Direct Expenses	25,238.09	13,609.24
	25,372.53	14,071.46
Less: Closing Stock	(891.64)	(134.44)
TOTAL	<u><u>24,480.89</u></u>	<u><u>13,937.02</u></u>

LAHOTI OVERSEAS LIMITED



SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010

(₹ in Lakhs)

	AS AT 31-Mar-2010	AS AT 31-Mar-2009
SCHEDULE O: OFFICE, ADMINISTRATION AND SELLING EXPENSES		
Ocean Freight	433.45	235.59
Local Freight	327.42	196.49
Operational Expenses (Wind Power)	19.53	18.72
Premium For Keyman Policy	12.82	13.08
Salaries and Employee related Benefits	60.66	96.80
Conveyance & Travelling	39.72	35.39
Overseas Commission	92.38	78.57
Sundry balances written off	4.25	11.96
Advertisement Expenses	1.04	0.96
Legal and Professional Charges	16.85	16.33
Postage and Telephone Charges	16.55	17.99
Rent, Rates and Taxes	9.50	41.86
Directors' Remuneration	15.05	14.40
Sales Promotion Expenses	6.57	11.57
Office & General Expenses	9.01	23.61
Insurance Premium	10.99	7.24
Local Commission	10.05	12.91
Motor Car Expenses	5.55	6.20
Repairs & Maintenance	7.77	8.97
Electricity Charges	4.08	8.03
Port Fees	0.75	0.08
Printing and Stationary	3.04	3.13
Auditor's Remuneration	3.05	2.57
Provision For Bad & Doubtful Debts	8.18	-
Donation	0.11	0.11
TOTAL	1,118.36	862.54
SCHEDULE P: INTEREST AND FINANCE CHARGES		
		0.00
Bank Charges and Commission	79.21	31.59
Interest On Loan	5.07	-
Bank Interest	29.98	28.23
TOTAL	114.26	59.82



SCHEDULE "Q": -

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles [GAAP], in compliance with the provisions of Companies Act, 1956 and Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government.

The preparation of financial statements in conformity with GAAP requires that the management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and disclosures related to contingent liabilities as of the date of financial statements, examples of such estimate includes future obligation in respect of retirement benefit plans, etc. Differences if any, between the actual results and estimates is recognised in the period in which the results are known.

B. PRINCIPLES OF CONSOLIDATION

- i) The financial statements of the Parent 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 unrealized profits or losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.
- ii) Investments in associate companies have been accounted for using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognise any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually.

C. FIXED ASSETS:

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

D. 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.

E. REVENUE RECOGNITION:

- i) The company accounts for its Export Sales, consistently on the basis of date of Bill of Lading. This applies to all export sales made on Cost Insurance and Freight (CIF), Free on Board (FOB), Cost & Freight (C & F), and Cash against delivery of Documents (CADD) basis.
- ii) Income from sale of power is recognized on per Kilo Watt Hour(s).
- iii) Income form trading is recognized on accrual basis.
- iv) Dividend income from Investments is recognized when the company's right to receive payment is established.



- v) Interest income is recognized on the time proportion basis taking into account the amount outstanding and the rate applicable.
- vi) Export benefits under duty entitlement passbook and duty drawback are accounted on accrual basis to the extent considered receivable.

F. 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 permanent in nature.

G. INVENTORIES:

Inventories are valued at lower of cost or net realizable value after providing for obsolescence, if any.

H. FOREIGN CURRENCY TRANSACTIONS:

- 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 of 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.

I. 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.

J. SEGMENT REPORTING:

Segment accounting policies are in conformity with accounting policies of the company. In addition, following specific accounting policies have been followed for segment reporting:

- i) Segment revenue includes sales and other income directly identifiable with/allocable to the segment.
- ii) Expenses that are directly identifiable with/allocable to segment are considered for determining the segment result.
- iii) Segment assets and liabilities include those directly identifiable with the respective segments.

K. 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.

L. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- 1. Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- i) the company has a present obligation as a result of a past event,
 - ii) a probable outflow of resources is expected to settle the obligation and
 - iii) the amount of the obligation can be reliably estimated.
2. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.
3. Contingent Liability is disclosed in case of
- i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
 - ii) a present obligation arising from past events, when no reliable estimate is possible; and
 - iii) a possible obligation from past events where the probability of outflow of resources is not remote.
4. Contingent assets are neither recognised, nor disclosed.
5. Provisions, Contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

M. IMPAIRMENT OF ASSETS

An assets is treated as impaired when the carrying cost of assets exceed its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identifies by management as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

N. GOODWILL ON CONSOLIDATION

Goodwill comprises the portion of a purchase price for an acquisition that exceeds the Group' share of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

Goodwill arising from the acquisition of associate company is included in the value of the holdings in the associate company.

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment loss on goodwill is reported in the consolidated profit and loss accounts.

SCHEDULE "R": -

NOTES ON ACCOUNTS

1. Basis of preparation

- a. The Consolidated Financial Statements (CFS) is prepared in accordance with Accounting standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 23 "Accounting for investments in Associates in Consolidated Financial Statements" as specified in the Companies (Accounting Standards) Rules, 2006. The CFS comprises the financial statements of Lahoti Overseas Limited (LOL), its subsidiaries, associates. Reference in these notes to LOL, Company, Parent Company, Companies or Group shall mean to include Lahoti Overseas Limited or any of its subsidiaries, associates unless otherwise stated.
- b. The notes and significant policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the company has disclosed such notes and policies which represent the required disclosure.

LAHOTI OVERSEAS LIMITED



SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010

2. The list of subsidiaries, associates and joint ventures included in the consolidated financial statements are as under:-

Sr. No.	Name of Company	Country of Incorporation	Relationship	As at March 31, 2010	
				Proportion of ownership interest (%)	Proportion of voting power held (%)
1	G Vardan Limited	India	Subsidiary	100	100
2	Lahoti Spintex Limited	India	Subsidiary	100	100
3	Lahoti Terra KnitFab Limited	India	Associate	48.93	48.93

3. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amount and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
4. 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.

5. Prior Period Items: (₹ in Lakhs)

	Current Year	Previous Year
Income Tax for earlier year	(61.89)	0.95
Reversal of Deferred Tax Liability – See Note 13	110.93	
Expenses related to earlier year		(14.86)
Net Credit / (Debit)	49.04	(13.91)

6. Expenditure in foreign currency: (₹ in Lakhs)

	Current Year	Previous Year
Foreign Bank Charges	22.70	13.63
Foreign Traveling Expenses	13.87	09.51
Overseas Commission	92.38	78.57
TOTAL	128.95	101.71

7. Auditor's Remuneration: (₹ in Lakhs)

	Current Year	Previous Year
Audit fees	1.47	1.47
Tax Audit Fees	0.45	0.28
Tax Matters	0.65	0.22
Certification Fees	0.46	0.11
Other Fees	0.09	0.52

8. Earning in Foreign Exchange:
FOB value, including third party export: ₹ 24,270.93 Lakhs (Previous Year ₹ 14,420.15 Lakhs)

9. Contingent Liabilities:
Contingent Liabilities not provided for in respect of:

LAHOTI OVERSEAS LIMITED



SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010

- i) Income tax matters ₹ 42.53
- ii) Bill Discounted ₹ 117.91 Lakhs (Previous Year ₹ 123.82 Lakhs)
10. The information as required under Micro, Small and Medium Enterprises Development Act, 2006 was called from relevant parties. In view of no response, no such information is furnished.
11. 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.
12. Related Party Disclosure: -
- i) The Company has identified following parties for the purpose of Related Party Disclosure:
- a. Associate Companies: Holding (%)
Lahoti Terra Knitfab Limited 48.93%
- b. Related Companies / Firm:
PSWare Information Private Limited
Sri Lakshmi Exports
Kirti Stock Brokers (P) Ltd.
Bauble Investment Pvt. Ltd.
- c. Key Management Personnel:
- Shri Umesh R. Lahoti - Managing Director
 - Shri Ujjwal R Lahoti - Executive Director
 - Shri Aadhitiya Lahoti - Jt. Executive Director
- ii) Transactions during the year with related parties:

(₹ in Lakhs)

Nature of Transaction	Lahoti Terra Knitfab Ltd (Associates)		PSWare Information Pvt. Ltd.(Related Company)		Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Loan and advances Given	26.65	162.81	-	-	-	-
Refund of Loan and advances Given	181.20	-	-	-	-	-
Repayment of loan and advances taken	-	-	-	-	-	-
Rent Paid	-	-	0.60	0.60	-	-
Managerial Remuneration	-	-	-	-	15.05	14.40
Outstanding balances						
<u>Loans and Advances</u>						
Receivable	8.26	162.81	-	-	-	-
Payable	-	-	-	0.60	1.00	-

LAHOTI OVERSEAS LIMITED



SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010

13. Earning Per Share:

		As At 31 Mar 2010	As At 31 Mar 2009
COMPUTATION OF BASIC EARNING PER SHARE			
1	Net profit available for Equity shareholders (₹ in Lakhs)	618.485	96.73
2	Number of equity shares for basic Earning Per Share	2,92,29,293	2,92,29,293
3	Basic Earning Per Share (in ₹)	2.12	0.33
4	Face value per share	₹ 2	₹ 2

14. Deferred Tax :

The deferred tax liability as at March 31st 2010 comprise of the following:-

(₹ in Lakhs)

Item	Opening Balance DTL / (DTA)	Provision During the Year	Reversal During the year	Net Balance
Depreciation	172.65	97.58	110.93*	160.38
Others	(3.06)	(0.01)	--	(4.15)
Total	169.59	97.59	110.93	156.24

*Represents reversal of Deferred tax liability in view of exemption U/s 80IA of Income tax act, 1961 from earlier years and in accordance with "Accounting standard interpretation 3" to AS 22 on "Accounting for Taxes on Income"

SIGNATURES TO THE SCHEDULES "A to "Q" AND NOTES TO ACCOUNTS "R"
PER OUR REPORT ATTACHED

For & on behalf of the Board

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Director

Director

Place: Mumbai

Dated: August 13, 2010

Place: Mumbai

Dated: August 13, 2010

LAHOTI OVERSEAS LIMITED



SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010

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-10

2) Capital Raised During the year (Amounts in ₹ 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 ₹ Thousands)

Total Liabilities	:	798,570
Total Assets	:	798,570
Sources of Funds	:	
Paid up Capital	:	58,459
Reserves & Surplus	:	457,460
Secured Loans	:	257,027
Unsecured Loans	:	10,000
Deferred Tax Liability	:	15,624
Application of Funds	:	
Net Fixed Assets	:	142,140
Investments	:	107,869
Net Current Assets	:	548,518
Misc. Expenditure	:	-
Profit and Loss Account	:	-

4) Performance of Company (Amounts in Rs. Thousands)

Turnover	:	2,660,984
Total Expenditure	:	2,580,448
Profit Before Tax	:	80,536
Profit After Tax	:	56,945
Earnings Per Share in ₹ (Annualized)	:	2.12
Dividend Rate %	:	20%

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.

Pankaj Ghadiali

Partner

Membership Number: 031745

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Dated: August 13, 2010

For & On behalf of the Board

Director

Director

Place: Mumbai

Dated: August 13, 2010

LAHOTI OVERSEAS LIMITED



(₹ in Lakhs)

Year ended March 31, 2010

Segment Reporting

a) Information about business segments (information provided in respect of revenue items for the year ended March 31, 2010 and in respect of assets/liabilities as at March 31, 2010)

l) Primary Segments (Business Segments):

PARTICULARS	Trading		Wind Power		Total	
	AS AT 31-Mar-2010	AS AT 31-Mar-2009	AS AT 31-Mar-2010	AS AT 31-Mar-2009	AS AT 31-Mar-2010	AS AT 31-Mar-2009
Gross Segment Revenue	26,428.94	15,040.67	144.60	145.44	26,573.54	15,186.11
Less:- Intersegment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
Net Segment Revenue	26,428.94	15,040.67	144.60	145.44	26,573.54	15,186.11
Segment Results :	772.07	184.66	38.88	38.32	810.95	222.98
(Profit / Loss Before Tax , Interest and Investment Income from each segment)						
Add:- Income from Investments					15.09	21.52
Add:- Income from Interest					0.59	2.35
Add:- Income from Rent					3.75	5.31
Add:- Insurance Claim Received					0.00	0.37
Add:- Profit/(Loss) on sale of investments					13.65	0.00
Add:- Profit/(Loss) on sale of Fixed Assets					0.68	0.00
Less:- Loss on sale of Fixed assets					0.00	(100.08)
Profit before Interest and Tax					844.70	152.44
Less:- Interest					(35.05)	(28.23)
Profit Before Tax					809.65	124.21
Provision for Tax						
Current					138.33	50.17
Deferred					97.59	(24.49)
Fringe Benefit Tax					0.00	2.35
Profit After Tax					573.73	96.17
Capital Employed						
Segment Assets						
Fixed Assets	152.59	483.54	1,228.94	478.98	1,381.53	962.52
Investments	1,127.50	969.51	0.20	0.20	1,127.70	969.71
Current Assets,Loans and Advances(net of Tax assets)	6,424.57	4,010.47	67.50	35.14	6,492.06	4,045.61
Total Assets	7,704.66	5,463.52	1,296.63	514.33	9,001.29	5,977.84
Segment Liabilities						
Loan Funds	2,074.29	390.98	600.20	0.00	2,674.49	390.98
Current Liabilities & Provisions (net of tax Liabilities)	837.07	685.86	170.36	53.97	1,007.43	739.83
Deferred Tax Liabilities	156.23	169.57	0.00	0.00	156.23	169.57
Total Liabilities	3,067.59	1,246.40	770.56	53.97	3,838.15	1,300.38
Net Segment Assets	4,637.07	0.00	526.07	635.82	5,163.15	4,677.47
Capital Expenditure	2.11	18.45	827.29	0.00	829.41	18.45
Segment Depreciation	17.43	47.23	73.52	86.03	90.95	133.26
Non - Cash Expenses other than Depreciation	0.00	0.00	0.00	0.00	0.00	0.00

b) Segment reporting: segment identification, reportable segments

i) Primary/secondary segment reporting format:

The risk-return profile of the company's business is determined predominantly by the nature of its products and services. Accordingly, business segments constitute the primary segments for disclosure of segment information. The Company has not recognised any geographical segment.

ii) Segment Identification:

Business segment have been on the basis of nature of product/services, the risk-return profile of individual business.

iii) Reportable Segment:

Reportable segment has been identified as per the criteria specified in Accounting Standard (AS) 17 "Segment Reporting Issued by the Institute of Chartered Accountants of India.

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 15th Annual General Meeting
of the Members of the Company to be held at the 307, Arun Chambers, Tardeo
Road, Mumbai - 400 034, on Wednesday 29th September, 2010 at 3.00 p.m.

As witness my/our hand this.....day of.....2010

Affix a
1 Rupee
Revenue
Stamp

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 15TH ANNUAL GENERAL MEETING HELD ON

WEDNESDAY, 29TH SEPTEMBER, 2010 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.....

(in case 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 2010