

RATNI INVESTMENTS CO. LTD.,

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 1999.

RATNI INVESTMENTS CO. LTD.

Registered Office

Block 19, 1st Dhanraj Mills Compound, Sitaram Jadhav Marg, Lower Parel, MUMBAI 400 013
Phone: 493 8987/88

-NOTICE

NOTICE is hereby given that the NINETEENTH Annual General Meeting of the members of **M/s.RATNI INVESTMENTS CO. LTD.** will be held on Thursday, the 30th September, 1999 at 11.00 a.m. at the registered office of the Company at Block 19, Dhanraj Mills Compound, Lower Parel, Mumbai 400 013 to transact the following business :-

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March, 1999.
2. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD,

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SECRETARY

PLACE: MUMBAI

DATE : 4TH SEPTEMBER, 1999.

NOTE:

1. A member entitled to attend and vote at the meeting, is also entitled to appoint a proxy to attend and vote, instead of himself and the proxy need not be a member of the Company.
 2. Proxy, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the meeting.
 3. The Register of Members and Shareholders Transfer Book of the Company will remain closed from 20th September to 24th September, 1999 (both days inclusive.)
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DIRECTORS' REPORT

Your Directors are pleased to present its NINETEENTH Annual Report and Audited Statement of Accounts of M/s. **RATNI INVESTMENTS CO. LTD.** for the period ended 31st March, 1999. The Company shows loss of Rs.255,088/- after provision of depreciation of Rs.19,088/- as well as interest of Rs.640,000. The loss carried to Balance Sheet comes to Rs.4,796,601/-.

ACCOUNTS:

The Company has provided interest amounting to Rs.640,000/- on loan, which was otherwise interest-free, @ 19% under orders of the Special Court (TORTS) which added to the loss during the year.

Regarding Note No.5 of the Auditors' Report, the Notes to Accounts covers and clarifies the matter and need no further explanation. [Schedule-1].

Regarding Note No.6 in respect of applicability of provisions of Section 295(1)(C) of the Companies Act, 1956, and in respect of valuation of stock of unquoted equity shares, the Notes to Accounts is self-explanatory. [Schedule I (4 and 7)].

GENERAL:

The Company continues to be a holding Company of M/s. Suchindram Investments Limited.

DEPOSIT:

The Company has not taken/invited any deposits from the public and hence the outstanding amount is NIL as on 31st March, 1999.

PARTICULARS OF EMPLOYEES U/S 217(2A):

None of the employees of the Company was in receipt of remuneration of Rs.300,000/- or more per annum during the year under review, or if employed for a part of the year, in receipt of Rs.25,000/- per month.

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PARTICULARS U/S 217 (1) (E):

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

AUDITORS:

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

FOR AND ON BEHALF OF THE BOARD,

PLACE : MUMBAI

DATED : 4TH SEPTEMBER, 1999

DIRECTOR

DIRECTOR

PARTNERS : R. C. JAGTIANI

J. G. NAIK

J. M. PATEL

PHONES : 207 00 15

207 60 71

TELEFAX: 200 28 75

JAGTIANI & NAIK (Regd.)

CHARTERED ACCOUNTANTS

12-13, ESPLANADE, 3RD FLOOR, 3, AMRIT KESHAV NAYAK MARG,
FORT, MUMBAI - 400 001.

Date _____

The Members of

RATNI INVESTMENTS COMPANY LIMITED

We have audited the attached Balance Sheet of **RATNI INVESTMENTS COMPANY LIMITED** as at 31st March, 1999 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that

1. 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.
2. 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.
3. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account.
4. In our opinion the Profit and Loss Account and the Balance Sheet are in compliance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, as referred to in Section 211(3-C) of the Companies Act, 1956.
5. No provision has been made in the accounts for Interest aggregating to Rs. 74,73,354/- payable on a loan from a Company in terms of the Final Order of the Special Court. (Note : 5)

"Had the" provision been made in the accounts the loss for the year would have been more by Rs. 74,73,354/- and Profit and Loss Account would have shown an accumulated loss of Rs. 1,22,69,955/- instead of Rs. 47,96,601/- as at 31st March, 1999 and the liabilities also would have been more by Rs. 74,73,354/- as at 31st March, 1999.
6. Subject to the matters referred to in paragraph 5 above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, further subject to:
 - i) valuation of stock of unquoted equity shares as explained in Note No : 4 ;

and

- ii) applicability of the Provisions of Section 295 (1)(C) of the Companies Act, 1956 as stated in Note No : 7



JAGTIANI & NAIR
CHARTERED ACCOUNTANTS

give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.

- a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1999.

and

- b) In the case of the Profit and Loss Account of the Loss for the year ended on that date.

7. As required by the Manufacturing and other Companies (Auditor's Report) order, 1988, under section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we consider appropriate, we further state that :

i) The Company has maintained accounting records to show the full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management and no discrepancy between the accounting records and physical inventory have been noticed.

ii) None of the fixed assets have been revalued during the year.

iii) In our opinion, the procedures for physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

iv) No discrepancies have been noticed on physical verification of stock as compared to book records in so far as it appears from our examination of the books.

v) Subject to Note : 4 to accounts, in our opinion and on the basis of our examination, the valuation of stock is fair and proper in accordance with the normally accepted accounting principle and is on the same basis as in the preceding year.

vi) The Company has not taken any loans, secured or unsecured from Companies, firms or other parties, whose names are listed in the Register maintained U/s. 301 of the Companies Act, 1956 except temporary advance of Rs. 2,000/- from director which was repaid during the year.

vii) The Company has granted interest free loans to Private Companies in which a director of the Company is a director. The terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

viii) The Company has given

- a) Interest free loans to staff, companies and other parties without any stipulation as to repayment.



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CHARTERED ACCOUNTANTS

- b) Interest bearing loan to Company without any stipulation as to repayment of principal amount and interest.
- ix) In our opinion and according to information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and nature of its business for purchase of equipment and other assets.
- x) The company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and rules framed thereunder. We have been informed by the Company that the directions issued by Reserve Bank of India for Non-Banking Financial Companies does not apply to the Company.
- xi) According to the information given to us, Provident Fund Act and Employees' State Insurance Scheme are not applicable to the Company.
- xii) According to the information and explanation given to us and the books and records examined by us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty, outstanding as at 31st March, 1999 for period exceeding six months from the date they became payable.
- xiii) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses charged to revenue accounts other than those payable under contractual obligations or in accordance with generally accepted business practice.
- xiv) According to information and explanation given to us, the Company has not granted loans and advances on the basis of security by the way of pledge of shares, debentures and other similar securities.
- xv) The company is not engaged in business of Chit Fund, Nidhi, Mutual Benefit Society etc.
- xvi) In our opinion and according to the explanation given to us, the Company has maintained proper records of the transactions and contracts involving shares and timely entries have been made therein. We have been unable to physically verify the investment held by the company as most of these investments have been seized by the Central Bureau of Investigation along with other records in June, 1992.