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RATNI INVESTMENT CO. LTD.

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ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH, 2007.

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RATNI INVESTMENTS CO. LTD

Registered Office

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

NOTICE

NOTICE is hereby given that the **TWENTYSEVENTH** Annual General Meeting of the members of M/s. **RATNI INVESTMENTS COMPANY LIMITED** will be held on Saturday, the 30th September, 2007 at 11.00 a.m. at the registered office of the Company at Block 19, Dhanraj Mill Compound, S.J. Marg, Lower Parel, Mumbai - 400013 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, 2007.

2. To appoint retiring Auditors as Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

3. To appoint a Director in place of Shri. N. C. Dangarwala, who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

   "**RESOLVED THAT** Mr. K.S.Venkateshwaran who was appointed by Board of Directors as an additional Director with effect from 6th Aug, 2007 pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of Annual General Meeting of company and in respect of whom a notice under Section 257 of companies Act 1956, has been received from a member signifying his intention to propose Mr. K.S.Venkteshwaran as a candidate for the office of Director, be and is hereby appointed as Director of company."

BY ORDER OF THE BOARD,

Sd/-

N. C. DANGARWALA

DIRECTOR

PLACE: MUMBAI

DATE : 5th September, 2007.

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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 26th to 28th September 2007.

4. We have received a notice in writing recommending the name of Mr. K.S. Venkateshwaran for appointment as a Director of the Company for which a sum of Rs.500/- in cash towards deposit for the same is received.

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DIRECTORS' REPORT

Yours Directors are pleased to present **TWENTYSEVENTH** Annual Report and Audited Statement of Accounts of **M/s. Ratni Investments Company Ltd.** for the year ended 31st March 2007 showing loss of RS. 8, 24,241/- during the year after Deferred Tax Assets RS.17/- and Depreciation of RS. 2,806/- bringing the total loss to RS. 2, 29, 51,372/-

ACCOUNTS:

The Company along with 12 (Twelve) other companies are judgment Debtors of Dhanraj Mills Pvt. Ltd a notified party under THE SPECIAL COURT (Trial of offences relating to transactions in Securities) Act, 1992. The Special Court has passed thirteen consent decrees in favour of Dhanraj Mills Pvt. Ltd.

The amount due and payable by the Company was Rs. 2, 64, 40,768/- principal along with interest. Killick Nixon Ltd along with Kosha Investments Ltd had given guarantee for the above dues.

The Custodian had sold the Assets of the Judgment debtors wherever available under the Court auction and had appropriated proportionately on the decretal amount of all the 13 judgment debtors instead of appropriating against individual decree. The above method of appropriation of the custodian was objected to by the judgment debtors. They have sought legal advice. As per the advice, the direct payments made by each individual judgment debtors are to be appropriated against their respective dues. Sale proceeds and recoveries from individual judgment debtors other than guarantors are to be appropriated first toward the liability of the same judgment debtors and the balance (surplus) if any, to be appropriated towards outstanding dues of other judgment debtors in the ratio of balance due.

Based on the above principles the Company recorded the entries in the books of Accounts and hence the Balance Sheet has been prepared accordingly and that liability is fully discharged. This has resulted in complete satisfaction of all the 13 decrees as on 11.05.2006. However, as per statement submitted by the Custodian Rs. 1, 75, 13,539/- are still payable.

Killick Nixon Ltd the guarantor has agreed to accept any future liability that may arise because of different methods of appropriation and as such it has become the creditor of our Company.

GENERAL

The Company continues to be a holding Company of M/s. Suchindram Investments Pvt Limited and have reviewed the affairs of the subsidiary Company.

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DEPOSIT

The Company has not taken/invited any deposits from the public and hence the outstanding amount is NIL as on 31st March, 2007.

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

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

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.

Directors' Responsibility Statement

Your Directors' confirm:

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

b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial year ended 31st March 2006 and of the loss of the Company.

c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting the fraud and other irregularities.

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

AUDITORS:

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

BY ORDER OF THE BOARD,

Sd/- Sd/-

N. C. DANGARWALA B. D. JADHAV

DIRECTOR **DIRECTOR**

PLACE: MUMBAI

DATE: 5th SEPTEMBER 2007.

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

TEL NO. 26116821 Email Address: vvchakra@vsnl.net

COMPLIANCE CERTIFICATE

The Members
Ratni Investments Company Limited
Mumbai.

We have examined the registers, records, books and papers of Ratni Investments Company Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2007. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. the company has kept and maintained all registers as stated in Annexure `A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.

2. the company has duly filed the forms and returns as stated in Annexure `B' to this certificate, with the Registrar of Companies, Regional Director, Central Government. Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.

3. the company being limited company has the minimum prescribed paid-up capital and has minimum umber of members during the said financial year excluding its present and past employees and the company during the year under scrutiny:

   (i) has not invited public to subscribe for its shares or debentures; and
   (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.

4. the Board of Directors duly met six times in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

5. the company has closed its Register of Members on 29/09/2006 and necessary compliance of section 154 of the Act has been made.

6. the annual general meeting for the financial year ended on 31/3/2006 was held on 30/9/2006 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

7. NO extra ordinary meeting(s) was held during the financial year ending 31/03/2007.

8. the company has not advanced loan to its directors and/or persons or firms or companies referred in the section 295 of the Act.

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9. the company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.

10. the company has made necessary entries in the register maintained under section 301 of the Act.

11. the company has obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act wherever applicable.

12. the Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.

13. the Company has:

(i) delivered all the certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;

(ii) deposited the amount of dividend declared including interim dividend in a separate bank _____which is within five days from the date of declaration of such dividend. NOT APPLICABLE

(iii) paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with NIL Bank on NIL. NOT APPLICABLE

(iv) transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund. NOT APPLICABLE.

(v) duly complied with the requirements of section 217 of the Act.

14. the Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.

15. the appointment of Managing Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act and approval of the Central Government has been obtained in respect of appointment of NIL not being in terms of Schedule XIII. NOT APPLICABLE

16. the appointment of sole-selling agents was made in compliance of the provisions of the Act. NOT APPLICABLE

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17. the company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.

18. the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. the company has not issued any shares/debentures/other securities during the financial year ended 31/03/2007.

20. the company has not bought back shares during the financial year ending 31/3/2007.

21. the company has not redeemed preference shares/debentures during the financial year ended 31/03/2007.

22. the company wherever necessary has kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.

23. the company has complied with the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975/ the applicable directions issued by the Reserve Bank of India/ any other authority in respect of deposits accepted including unsecured loans taken, amounting to Rs. NIL raised by the company during the year and the company has filed the copy of Advertisement/Statement in lieu of Advertisement/ necessary particulars as required with the Registrar of Companies NIL on NIL. The company has also filed return of deposit with the Registrar of Companies/Reserve Bank of India/other authorities. NOT APPLICABLE.

24. the amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31/3/2007 are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual/extraordinary general meeting.

25. the company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.

26. the company has altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny after complying with the provisions of the Act. NOT APPLICABLE

27. the company has NOT altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.

28. the company has NOT altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.

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29. the company has NOT altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.

30. the company has NOT altered its articles of association after obtaining approval of members in the general meeting held.

31. a list of prosecution initiated against or show cause notices received by the company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the company in such cases is attached. NOT APPLICABLE.

32. the company has received Rs. NIL as security from its employees during the year under certification and the same has been deposited as per provisions of section 417(1) of the Act.

33. the company has no employee's and the provisions of the Provident Fund act are not applicable.

Place: MUMBAI Signature :

Date : 5th September 2007 Name of Company Secretary : V. V. Chakradeo

C. P. No. : 1705

Annexure A Registers as maintained by the Company

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

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2007.

1. Annual Return for AGM held on 30/9/2006 u/s 159 filed on 22/11/2006.
2. Balance Sheet for the year ended 31/3/2005 u/s. 220 filed on 29/11/2006

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PARTNERS : R. C. JAGTIANI
J. G. NAIK

TELEFAX : 22 07 60 71
66 33 17 85
DIRECT : 22 00 28 75

JAGTIANI & NAIK (Regd.)
CHARTERED ACCOUNTANTS
12-13, ESPLANADE, 3RD FLOOR, 3, AMRIT KESHAV NAYAK MARG,
FORT, MUMBAI - 400 001.

AUDITOR'S REPORT TO THE MEMBERS OF

RATNI INVESTMENTS COMPANY LIMITED

1. We have audited the attached Balance Sheet of **RATNI INVESTMENTS COMPANY LIMITED**, as at 31st March, 2007 and also the Profit and Loss Account for the year ended on that date annexed thereto. (Collectively referred to as "Financial Statements"). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of "The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

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

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