

## DIRECTORS' REPORT

Your Directors are pleased to present their Annual Report on the business and operations along with the statement of accounts of your Company for the year ended 31<sup>st</sup> March 2007.

### **Financial Results:**

Particulars	(Rs. in lakhs)	
	Period ended 31 <sup>st</sup> March 2007	Period ended 31 <sup>st</sup> March 2006
Income	6.33	4.86
Expenditure	3.94	3.64
Profit before taxation	2.39	1.22
Less: Provision for taxation and tax of earlier years	0.87	0.41
<b>Net Profit/(Loss) after Taxation</b>	<b>1.52</b>	<b>0.81</b>

### **Year under review:**

During the year under review, income of the company was at Rs.6.33 lakhs. The Company has reported a profit of Rs1.52 lakhs as compared to Rs.0.81 lakhs in the previous year. Considering the unfavourable market conditions, the Board of Directors of the Company continuous to be cautiously optimistic about its growth prospects for current financial year and for the future.

### **Dividend**

Your Directors have deemed it prudent not to recommend any dividend for the year ended 31<sup>st</sup> March 2007 in view of marginal profit.

### **Responsibility Statement**

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that

- a) In the preparation of annual accounts the applicable accounting standards have been followed by the Company.
- b) Appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2007 and of the Profit of the Company for the year ended on that date



- c) Proper and sufficient care has been taken for the maintenance 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
- d) The annual accounts have been prepared on a going concern basis.

### Directors

Shri Shri Vivek M Hinduja and Shri Gourav D Hinduja, Directors retire by rotation in accordance with the provisions of the Companies Act, 1956 and being eligible, offer themselves for re-appointment.

### Auditors

Your Company has appointed M/s Girish, Murthy & Kumar, Chartered Accountants as Auditors, who would retire at the forthcoming Annual General Meeting and, being eligible offer themselves for re-appointment.

### Fixed Deposits

The Company has not accepted or renewed any deposits from public or otherwise during the year under review.

### Particulars of Employees

Information as per section 217(2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules 1975 none of the employees of the Company was in receipt of remuneration aggregating to Rs. 24,00,000/- per annum or Rs.2,00,000/- per month and hence, no particulars of employees are required to be furnished.

### Acknowledgements

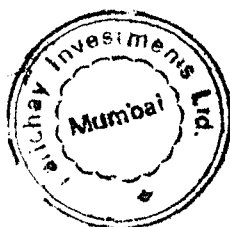
You Directors thank the Company's bankers, clients and all business associates for their continued support to the company and to the shareholders for the confidence reposed in the Company's management. Your Directors place on record their appreciation for the continued support by the employees at all levels

For and on behalf of the Board of Directors

Mumbai  
July 31, 2007

Rajendra J Hinduja  
Director

Madanlal J Hinduja  
Director



**GIRISH MURTHY & KUMAR****Chartered Accountants****AUDITORS' REPORT****TO THE MEMBERS OF PARICHAY INVESTMENTS LIMITED**

1. We have audited the attached Balance Sheet of PARICHAY INVESTMENTS LIMITED, as on 31st March 2007 & the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

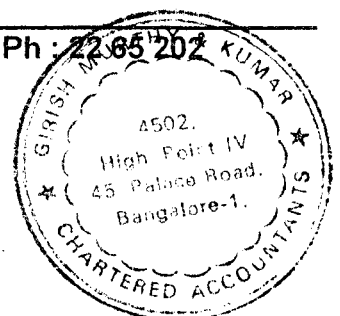
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis,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

Further, we 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 accounts, as required by law have been kept by the company, so far as appears from our examination of the books.
3. The said Balance Sheet and the Profit & Loss Account are in agreement with the books of account: and
4. In our opinion, the Profit & Loss account & Balance Sheet comply with the requirements of the Accounting Standards referred to in sub section (3c) of section 211 of the Companies Act, 1956 to the extent applicable.
5. Based on the written representations received from the Directors of the Company as at March 31, 2007 and taken on record by the Board of Directors, we report that no Director is disqualified from being appointed as Director of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956, as on that date.
6. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, together with and subject to notes annexed thereto, give the information, 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, 2007; and
  - b. In the case of Profit & Loss Account of the Profit during the year ended on that date.

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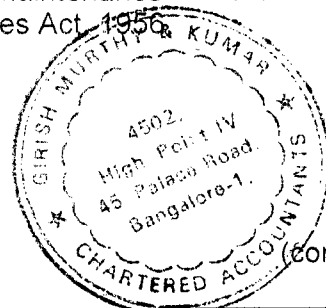
**GIRISH MURTHY & KUMAR****Chartered Accountants**

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c. In so far as it relates to the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

3. As required by the Companies ( Auditors report ) order, 2003 issued by the company law board, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:-

- i) The Company does not have fixed assets; hence the report under this clause does not arise.
- ii) The nature of the Company's operations does not require it to hold inventories and as such paragraph 4(ii) of the Companies (Auditors' Report) Order, 2003 ('Order') is not applicable.
- iii) The Company has not taken any unsecured loans from parties listed in the register maintained under section 301 of the companies act 1956, and/or to the companies under the same management as defined under section 370 (I-B) of the companies act, 1956.
- iv) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties listed in the register maintained under section 301 of the companies act 1956, and/or to the companies under the same management as defined under section 370 (I-B) of the companies act, 1956.
- v) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- v) The Company has not accepted deposits from the public during the year to which the provisions of section 58A of the Companies Act, 1956 and the rules framed there under are applicable.
- vi) The central government has not prescribed the maintenance of cost records by the companies under section 209(i)(d) of the Companies Act, 1956.



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