

NEW HORIZON LEASING & FINANCE LIMITED

ANNUAL REPORT 2010

Board of Directors

Sri T Rajkumar
Sri Pradip R Shroff
Sri Hemendra J Shroff
Sri Shashank S Vijayakar

Registered Office

No.1, Sundaram Brothers Layout
Opp. to All India Radio
Trichy Road
Coimbatore – 641 045

Auditors

A N Damania & Co
Chartered Accountants
Mumbai

Bankers

Canara Bank
Mumbai

Registrar and Share Transfer Agents

Purva Sharegistry (India) Pvt. Ltd.
9, Shiv Shakti Industrial Estate
J .R. Boricha Marg
Opp. Kasturba Hospital Lane
Lower Parel (E)
Mumbai 400 011
E-Mail : mail@purvashare.com

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NEW HORIZON LEASING & FINANCE LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Thursday, 30th September 2010 at 10.30 a.m at the Registered Office at No.1, Sundaram Brothers Layout, Opp. All India Radio, Trichy Road, Coimbatore – 641 045 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint Sri K Dhanakumar as a Director of the Company whose period of office shall be liable to determination by retirement by rotation in place of Sri Hemendra J. Shroff, Director who retires by rotation and has expressed his unwillingness to be reappointed as a Director of the Company.
3. To appoint M/s S Lakshminarayanan Associates, Chartered Accountants, Coimbatore, as Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on the remuneration and out-of-pocket expenses as may be approved by the Board of Directors, in place of M/s A N Damania & Co, Chartered Accountants, who have expressed their unwillingness to be reappointed.

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 in accordance with Section 94(2) and all other applicable provisions of the Companies Act 1956 and the Articles of Association of the Company, the Authorised Share Capital of the Company be increased from Rs.2,00,00,000 (Rupees Two Crores only) divided into 20,00,000 (Twenty Lakhs) equity shares of Rs.10 (Rupees Ten) each to Rs.5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Five Lakhs) equity shares of Rs.10 (Rupees Ten) each.

5. 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 Section 16(1) and all other applicable provisions of the Companies Act 1956, the Memorandum of Association of

the Company be and is hereby altered by deleting the existing Clause V and substituting in its place the following new Clause V:

V. The Authorised Share Capital of the Company is Rs.5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs.10 (Rupees Ten) each. Any share of the original or increased capital may from time to time be issued with guarantee or any right of preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantages over any shares previously issued or then about to be issued or with deferred or qualified to any provisions or conditions and with any special right or without any right of voting and generally such terms as the Company may from time to time determine.

6. 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 Section 31 and all other applicable provisions of the Companies Act 1956, the Articles of Association of the Company be and is hereby altered by deleting the existing Article 4 and substituting in its place the following new Article 4.

4. The Authorised Share Capital of the Company is Rs.5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each. Any share of the original or increased capital may from time to time be issued with guarantee or any right of preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantages over any shares previously issued or then about to be issued or with deferred or qualified to any provisions or conditions and with any special right or without any right of voting and generally such terms as the Company may from time to time determine.

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 AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM SHOULD BE DEPOSITED WITH THE REGISTERED OFFICE OF

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THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. As required under Clause 49 (IV) (G) of the Listing Agreement, the relevant details of the Director seeking appointment under Item No. 2 is annexed.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts of Special Business is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 28th September 2010 to Thursday, 30th September 2010, both days inclusive.
5. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
6. Members holding shares in physical form are requested to intimate, indicating their folio number, the changes, if any, in their registered addresses either to the Company or to the Registrar and Share Transfer Agents, Purva Shareregistry (India) Private Limited, Mumbai – 400 001 or to their respective Depository Participant (DP) in case the shares are held in dematerialised form.

Date : 3rd September 2010

Place : Mumbai

By Order of the Board

T. Rajkumar

Director

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956

Item No.2

Sri Hemendra J Shroff who retires by rotation at the Annual General Meeting of the Company has expressed his unwillingness to be reappointed as a Director of the Company. Hence, it is proposed to appoint Sri K Dhanakumar as a Director of the Company. Sri K Dhanakumar has given his consent to be appointed as Director of the Company.

Sri K Dhanakumar holds a Master's Degree in Business Administration from Lorenz University, USA. He has extensive business experience of over 12 years together with training in production processes. He is currently the Joint Managing Director of Imperial Spirits Private Limited, flagship Company of Imperial Spirits Group.

A notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Sri K Dhanakumar as a candidate for the office of Director of the Company.

The Board is of the view that Sri K Dhanakumar's knowledge and experience will be of immense benefit and value to the Company and therefore, recommends his appointment to the members.

Sri T Rajkumar, Director, is interested in the appointment as his relative.

Sri K Dhanakumar holds no equity shares of the Company.

Item No.3

M/s A N Damania & Co, Chartered Accountants, Mumbai, retiring auditors have expressed their unwillingness to be reappointed as statutory auditors of the Company. Hence, it is proposed to appoint M/s S Lakshminarayanan Associates, Chartered Accountants, Coimbatore as Statutory Auditors of the Company. M/s S Lakshminarayanan Associates, Chartered Accountants have given their consent to be appointed and have confirmed that their appointment, if made, would be in compliance of the Section 224(1B) of the Companies Act 1956. The appointment was recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 3rd September 2010. As per Section 190 read with Section 224(2)(b) and 225, a special notice is required to

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be given to the members of the Company if a person other than the retiring auditor is appointed as a statutory auditor.

Special notice is hereby given to the members of the Company to appoint M/s S Lakshminarayanan Associates, Chartered Accountants, as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General meeting.

None of the Directors is interested or concerned in the said resolution.

ITEM NO.4 to 6

The present Authorised Share Capital of the Company is Rs 2,00,00,000 consisting of 20,00,000 Equity Shares of Rs.10 each. The present subscribed, issued and paid-up equity share capital of the Company is Rs.97.95 lakhs consisting of 10,00,000 equity shares of Rs.10 each.

With a view to increase the capital base and raise the net worth, the Board of Directors have decided to increase the Authorised capital by creation of additional 30,00,000 Equity Shares of Rs.10 each. The revised Authorised Share Capital will be Rs 5,00,00,000 divided into 50,00,000 Equity Shares of Rs.10 each. This requires the approval of the members under Section 94(1)(a) of the Companies Act, 1956 for which necessary resolution is proposed as set out in Item No.4.

As a consequence, the Capital Clause in the Memorandum of Association (Clause V) and the Articles of Association (Article 4) have to be amended and the necessary Resolutions are proposed under Item No.5 and 6 for the approval of the Members. The Board of Directors recommends the passing of the Resolutions.

None of the Directors is in any way concerned or interested in the said resolutions.

A Copy of the Memorandum and Articles of Association of the Company along with the proposed alterations is available for inspection at the Registered Office by any member during the business hours on any working day.

Date : 3rd September 2010
Place : Mumbai

By Order of the Board
T. Rajkumar
Director

Item No.2

DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 (IV) (G) OF THE LISTING AGREEMENT

Name of the Director	K Dhanakumar
Director Identification Number	00048730
Date of Birth and Age	11th November 1969, 41 years
Qualifications	B.Sc., M.B.A
Expertise in specific functional areas	Production processes
Directorships held in other public companies	Sri Mahasakthi Mills Limited
Memberships / Chairmanships of committee across public companies	Nil
No of equity shares held	Nil
Relationship with other directors	Brother of Sri T Rajkumar

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DIRECTORS' REPORT

To the Members

Your Directors are pleased to present their Annual Report together with the audited accounts of the Company for the financial year ended 31st March 2010.

FINANCIAL PERFORMANCE

(Rs. lakhs)

Particulars	2009-10	2008-09
Gross Income	46.36	8.58
Gross Profit (before interest, depreciation & taxation)	23.26	8.05
Profit before tax	23.26	8.05
Provision for taxation	8.00	1.60
Profit after tax	15.26	6.45
Prior Period Expenses	0.22	—
Profit after adjustments	15.03	6.45
Add : Opening balance in Profit and Loss account	8.86	2.41
Profit carried to Balance Sheet	23.90	8.86

BUSINESS

During the year under review, the Company made a gross income of Rs.46.36 lakhs from its trading and commercial activities as against Rs.8.58 lakhs during the previous year. The net profit for the year was Rs.15.26 lakhs as against Rs.8.05 lakhs during the previous year.

DIVIDEND

With a view to conserve resources for future requirements, the Board of Directors have not recommended dividend on equity shares for the year ended 31st March 2010.

SHIFTING OF REGISTERED OFFICE

The Company has shifted its Registered Office to Coimbatore, State of Tamilnadu after the acquisition of two textile companies as subsidiaries. The members have approved the shifting of Registered Office by passing a special resolution through postal ballot, which was confirmed by the Honourable Company Law Board, Mumbai.

DIRECTORS

Sri Hemendra J Shroff who retires by rotation at the ensuing Annual General Meeting of the Company has expressed his unwillingness to be reappointed as a Director of the Company. Hence, it is proposed to appoint Sri K Dhanakumar as Director of the Company in place of the retiring director. The Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of Director. Sri K Dhanakumar has given his consent to be appointed as Director of the Company.

The profile of the Director, as required under Clause 49 (IV) (G) of the Listing Agreement entered into with Bombay Stock Exchange is given in the Annexure to the Notice of the Annual General Meeting.

SUBSIDIARY COMPANIES

As required under Section 212 of the Companies Act 1956, the Audited Financial Statements for the year ended 31st March 2010 of the subsidiaries Sri Mahasakthi Mills Limited and Sri Arumuga Cottspin Private Limited, along with the Schedules and the Reports of the Directors and Auditors and also the statement under the said Section are attached.

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of the Company and its subsidiaries prepared in accordance with the Accounting Standard (AS-21) forms part of the Annual Report.

CORPORATE GOVERNANCE REPORT

As required under Clause 49 of the Listing Agreement, a report on Corporate Governance (including Management Discussion and Analysis Report) and a certificate from the Auditors of the Company regarding compliance of the conditions of corporate governance as stipulated under the listing agreement form part of the Annual Report.

PARTICULARS REQUIRED UNDER SECTION 217 OF THE COMPANIES ACT 1956

As required under Section 217(1) (e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988:

- a. The Company has no activity involving conservation of energy or technology absorption;

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- b. The Company does not have any Foreign Exchange Earnings; and
 - c. There is no Foreign Exchange Outgo
- The Company has no employee drawing remuneration more than the limits prescribed under Section 217(2A) of the Companies Act 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act 1956, your Directors confirm, to the best of their knowledge and belief, that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and that no material departure had been made from it;
- b. 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 profit of the Company for the financial year;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s A N Damania & Co, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and have expressed their unwillingness to be reappointed. Hence, the Directors recommend the appointment of M/s S Lakshminarayanan Associates, Chartered Accountants, Coimbatore as Statutory Auditors of the Company. The Company has obtained a confirmation from them that their appointment, if made, at the forthcoming annual general meeting would be within the limits specified under Section 224(1B) of the Companies Act 1956.

ACKNOWLEDGEMENTS

Your Directors wish to place on record the valuable assistance and co-operation extended by the members.

Date : 3rd September 2010
Place : Mumbai

For and on behalf of the Board
T. Rajkumar
Director