
RPG ITOCHU FINANCE LIMITED

ANNUAL REPORT

2008-2009

RPG ITOCHU FINANCE LIMITED

Regd. Off. : CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030
Email: rpgitochufin@yahoo.co.in Tel No.: +91-22-24930621 Fax No: +91-22-66606039

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030 at a shorter notice on December 31, 2009 for the following purposes:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on that date together with reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Aditya Atal, who retires by rotation, and being eligible offers himself for re-appointment
3. 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.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. A. V. Nerurkar, who was appointed as an Additional Director of the Company with effect from March 16, 2009 and holds office under provisions of Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who is eligible for appointment, be and is hereby appointed as Director of the Company liable to retire by rotation."

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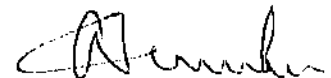
5. To consider and if thought fit, to pass with or without modification following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Kishore Shete, who was appointed as an Additional Director of the Company with effect from March 16, 2009 and holds office under provisions of Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who is eligible for appointment, be and is hereby appointed as Director of the Company liable to retire by rotation."

NOTES:

- a) EXPLANATORY STATEMENT AS PER SECTION 173(2) OF THE COMPANIES ACT, 1956 IS ATTACHED HEREWITH.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- c) THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

On behalf of the Board of Directors,



(A. V. Nerurkar)
Director

Place: Mumbai
Date: December 24, 2009

Registered Office:
CEAT Mahal,
463, Dr. Annie Besant Road
Mumbai – 400 030

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Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 4 and 5

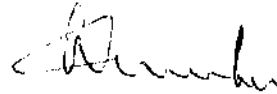
Mr. A. V. Nerurkar and Mr. Kishore Shete were appointed as Additional Directors of the Company under the provisions of Section 260 of the Companies Act, 1956 on March 16, 2009 and hold office up to the date of the ensuing Annual General Meeting.

The Company has received notices along with deposit of Rs. 500/- from two members proposing the appointment of Mr. A. V. Nerurkar and Mr. Kishore Shete respectively for their appointment as Directors liable to retire by rotation under Section 257 of the Companies Act, 1956. Your Directors recommend the appointment of Mr. Nerurkar and Mr. Shete as Directors of the Company liable to retire by rotation

Members are requested to approve the appointment of Mr. Nerurkar and Mr. Shete as Directors of the Company to retire by rotation.

None of the Directors, except Mr. Nerurkar and Mr. Shete themselves are concerned or interested in the Resolutions at Item No.4 and 5 above in respect of their respective appointment.

By order of the Board of Directors



**(A. V. Nerurkar)
Director**

Place: Mumbai

Date: December 24, 2009

Registered Office:

CEAT Mahal,
463, Dr. Annie Besant Road
Mumbai – 400 030

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REPORT OF THE BOARD OF DIRECTORS

Your Directors have pleasure in presenting their Twelfth Annual Report along with the Audited Statement of Accounts for the year ended March 31, 2009

Financial Results:

(Rs In Lakhs)

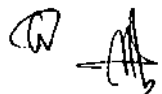
Particulars	For the year ended March 31, 2009	For the year ended March 31, 2008
Income	110.46	-
Less: Expenses	15.72	1.19
Profit / (Loss) before Taxation	94.74	(1.19)
Less: Provisions under prudential norms	-	465.96
Less: Provision for Taxation	-	-
Add: Deferred Tax Asset	123.19	0.07
Profit / (Loss) after Taxation	217.93	(467.08)
Balance brought forward	(496.62)	(29.54)
Transfer to Statutory Reserve	43.59	-
Balance of Profit and Loss Account	(322.28)	(496.62)
Add: Difference as per Scheme of Arrangement	38,289.53	-
Less: Balance transferred to General Reserve	37,967.25	-
Balance carried forward to the Balance Sheet	-	(496.62)

Dividend:

With a view to conserve resources, the Directors have not recommended any dividend for the year under review.

Financial Restructuring:

During the year under review, the Company has successfully implemented the Scheme of Arrangement (the Scheme) between Summit Securities Limited (Summit), Brabourne Enterprises Limited (Brabourne), Octav Investments Limited (Octav), CHI Investments Limited (CHI) and the Company and Instant Holdings Limited (Instant) and KEC Holdings Limited (KEC) and the respective shareholders. The Scheme was sanctioned by the High Court of Bombay (The Court) on December 18, 2009 and the Court order alongwith the sanctioned scheme was filed with the Registrar of Companies, Maharashtra (ROC) by the respective companies on December 23, 2009.



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Pursuant to the Scheme:-

- a) Summit, Brabourne, Octav and CHI have amalgamated with the Company with effect from March 31, 2009, the appointed date on a going concern basis.
- b) Instant has amalgamated with KEC with effect from March 31, 2009, the appointed date on a going concern basis.
- c) The name of the Company and KEC will be changed to Summit and Instant respectively subject to the approval of ROC.
- d) KEC has become a subsidiary of the Company with effect from the appointed date.
- e) The Company will issue and allot 59,22,981 shares of Rs. 10/- each to the shareholders of Summit, Brabourne, Octav and CHI.

Holding and Subsidiary Companies:

The Company ceased to be a subsidiary of FGP Limited w.e.f June 5, 2009. However, it became a subsidiary of RPG Cellular Investments & Holdings Private Limited with effect from the said date. In addition to KEC, which became subsidiary of the Company w.e.f March 31, 2009 pursuant to the Scheme, Sudarshan Electronics & T. V. Limited became a wholly owned subsidiary of the Company with effect from June 25, 2009 as a result of acquisition of 170,007 equity shares of this company. As required under section 212 (1) of the Companies Act, 1956, following documents of KEC Holdings Limited, the subsidiary of the Company are annexed:

1. Financial Statements including reports of the Board of Directors & Auditors for the year ended March 31, 2009.
2. Statement of Interest of the Company in KEC.

Issue of Capital:

During February 2009, the Company had allotted 36,68,400 Equity Shares of Rs. 10/- for cash at par to its shareholders on a rights basis at a ratio of 14 new equity shares for every 5 issued equity shares pursuant to the approval of shareholders of the Company in the ExtraOrdinary General Meeting held on February 16, 2009. Accordingly, the issued capital of the Company increased from Rs. 1,31,04,000 consisting of 13,10,400 Equity Shares of Rs. 10/- each to Rs. 4,97,88,000 consisting of 49,78,800 Equity Shares of Rs. 10/- each.

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Registered Office:

With the approval of the Company Law Board, the registered office of the Company was shifted from New Delhi to Mumbai w.e.f August 3, 2009. This will result in economical and efficient management of affairs of the Company and will also help it in attaining long term strategic business objectives.

Directors:

Mr. R. C. Agarwala ceased to be a Director of the Company w.e.f October 30, 2009. The directors placed on record their appreciation for the invaluable services rendered by Mr. Agarwala to the Company during his tenure.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Aditya Atal, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

During the year under review, Mr. A. V. Nerurkar and Mr. Kishore Shete were appointed as an Additional Director of the Company w.e.f March 16, 2009 and they would continue to hold office upto the date of the Annual General Meeting. However, a Notice has been received from a member proposing the name of Mr. Nerurkar and Mr. Shete as Director retiring by rotation. Members are requested to appoint Mr. Nerurkar and Mr. Shete as Director retiring by rotation at this Annual General Meeting.

Particulars of Employees:

The Company had no employees of the category specified under Section 217(2A) of the Companies Act, 1956 during the year under review.

Director's Responsibility Statement:

As required under the Companies Act, 1956, your directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) such accounting policies have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at the March 31, 2009 and the Profit and Loss Account for the financial year ended on that date;



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- c) the directors have taken proper and sufficient care for maintenance of adequate accounting records with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Due to the nature of business, this provision is not applicable to the Company.

Auditors:

M/s H. S. Rustagi & Co., resigned as Statutory Auditor of the Company w.e.f December 19, 2009 and M/s N. M. Rajji & Co. Chartered Accountants, were appointed in their place as the Statutory Auditors of the Company at the Extra-Ordinary General Meeting of the Company held on December 22, 2009. They will hold office till the conclusion of the ensuing Annual General Meeting.

The shareholders are requested to appoint the auditors and fix their remuneration. M/s N. M. Rajji & Co., the retiring auditors, have informed that they are eligible for re-appointment.

On behalf of the Board of Directors,



(A. V. Nerurkar)
Director



(Kishore Shete)
Director

Place: **Mumbai**
Date: **December 24, 2009**

Registered Office:
463, Dr. Annie Besant Road,
Worli, Mumbai 400 030.

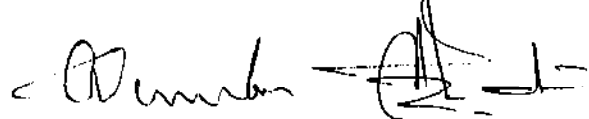
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STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES.

	NAME OF THE SUBSIDIARY COMPANY	KEC HOLDINGS LIMITED
1.	Financial year of the subsidiary ended on	March 31, 2009
2.	Shares of the subsidiary held by the Company on the above date: A. Number Face Value B. Extent of Holding	32,95,651 Equity Shares of Rs. 10/- each fully paid-up. 98.51%
3.	Net aggregate amount of the profits/(losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of the Company:	
	A. Dealt with in the accounts of the Company for the year ended March 31, 2009	Nil
	B. Not Dealt with in the accounts of the Company for the year ended March 31, 2009	517,30,688
4.	Net aggregate amount of the profits/(losses) of the subsidiary for the previous financial years of the subsidiary so far as they concern members of the Company:	Not Applicable
	C. Dealt with in the accounts of the Company for the year ended March 31, 2009	Not Applicable
	D. Not Dealt with in the accounts of the Company for the year ended March 31, 2009	Not Applicable

For and on behalf of the Board of Directors



Place: Mumbai
Date : December 24, 2009

(A. V. Nerurkar)
Director

(Kishore Shete)
Director

N. M. RAIJI & CO.
Chartered Accountants
Universal Insurance Building,
Pherozeshah Mehta Road,
Mumbai-400 001. INDIA
Telephone: 2287 0068
2287 3463
2283 7482
Telefax : 91 (22) 2282 8646
91 (22) 2265 0578
E-mail : nmraiji@mtnl.net.in

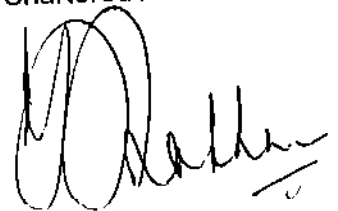
AUDITORS' REPORT

TO THE MEMBERS OF RPG ITOCHU FINANCE LIMITED

1. We have audited the attached Balance Sheet of **RPG ITOCHU FINANCE LIMITED**, as at 31st March 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Accounts incorporate the audited accounts of **SUMMIT SECURITIES LIMITED**, **OCTAV INVESTMENTS LIMITED**, **RPG ITOCHU FINANCE LIMITED** and **BRABOURNE ENTERPRISES LIMITED** which has not been audited by us and **CHI INVESTMENTS LIMITED** which has been audited by us. 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 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 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 during the course of the audit, we enclose 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 and our comments in paragraph 3 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;
 - (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 those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) 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 Companies Act, 1956;

- (v) On the basis of written representations received from the directors, as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2009 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 accounts read together with the notes thereon 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:
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For **N. M. RAJI & CO.**,
Chartered Accountants



CA. Y.N. THAKKAR
Partner
Membership No. 33329

Place: Mumbai

Date: **24 DEC 2009**

ANNEXURE TO THE AUDITORS' REPORT

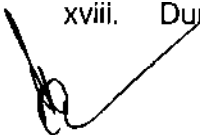
(Referred to in paragraph 3 of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets of the Company have been physically verified by the management during the year.
- (c) The Company has not disposed off substantial part of fixed assets during the year
- ii. The Company is a non banking financial Company and does not have any inventory, hence clause (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable;
- iii. The Company has neither granted nor 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. Accordingly, sub clause (b), (c), (d), (f) and (g) are not applicable.
- iv. In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase and sale of shares. During the course of our audit, we have not observed any major weaknesses in internal control systems.
- v. There are no transactions during the year that need to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) of clause (v) of the Order is not applicable;
- vi. The Company has not accepted any public deposits;
- vii. The Company has an adequate internal audit system, which in our opinion is commensurate with the size and nature of its business;
- viii. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the Company's activities;
- ix. (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Income-tax, Wealth-tax and any other statutory dues applicable to it. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31st March 2009 for a period of more than six months from the date they became payable;
- (b) According to the records made available to us and the information and explanations given by the management, the details of the dues of Income tax / Sales Tax / Wealth tax / Service tax / Custom Duty / Excise Duty / Cess, which have not been deposited with the appropriate authorities on account of any dispute are given below;



Name of statute (Nature of dues)	Relating to various years comprise in the period	Forum where dispute is pending and the amount involved
		Appellate authorities, Tribunal and High Court (Rs. in '000)
Sales Tax (Tax / Penalty / Interest)	1993-2004	24,496
The Central Excise Act (Duty / Penalty / Interest)	1996-2001	232
Income Tax Act, 1961	A.Y. 1986 - 1987 III 2006 07	1,392,040

- x. The Company has not incurred any cash losses during this year but incurred cash losses in immediately preceding financial year.
- xi. The company has not taken any loan from financial institutions or banks or debenture holders;
- xii. Based on our examination and according to the information and explanation given to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- xiii. The Company is not a chit / nidhi / mutual benefit fund / societies;
- xiv. Based on our examinations of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts and timely entries have been made in those records. We also report that the Company has held the investments in its own name except investments acquired under the Scheme of Arrangement;
- xv. During the year, the Company has not given any guarantee for loans taken by others from banks or financial institutions;
- xvi. In our opinion, the term loans availed by the Company during the year have been applied for the purposes for which they obtained.
- xvii. During the year, the Company has not issued any debentures;
- xviii. During the year, the Company has not raised any money by public issue;




N. M. RAJI & CO.

- xix. 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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place: Mumbai

Date: 24 DEC 2009

For N.M. RAJI & CO.,
Chartered Accountants



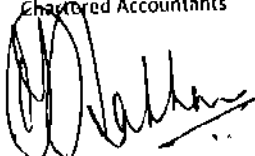
C.A. Y.N. THAKKAR

Partner

Membership No. 33329

RPG ITOCHU FINANCE LIMITED					
BALANCESHEET AS AT 31ST MARCH, 2009					
Particulars	Schedule	As at 31st March, 2009		As at 31st March, 2008	
		Rs (In '000)	Rs (In '000)	Rs (In '000)	Rs (In '000)
SOURCES OF FUNDS					
Share Capital	1	109,017.81		13,104.00	
Reserves and Surplus	2	3,801,098.78	3,910,116.59	15.30	13,119.30
Loan Funds					
Unsecured Loans	3		51,882.59		37,300.00
			<u>3,961,999.18</u>		<u>50,419.30</u>
APPLICATION OF FUNDS					
FIXED ASSETS	4				
Gross Block		12,142.23			
Less: Depreciation		4,290.74	7,851.49		
Net Block					
INVESTMENTS	5		3,823,215.55		
Deferred Tax Assets			12,566.67		21.50
CURRENT ASSETS, LOANS AND ADVANCES					
Cash and Bank Balance	6	85,884.06		159.25	
Loans Advances and Other Assets	7	126,075.56		11,774.24	
		<u>211,959.62</u>		<u>11,933.49</u>	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	8	93,594.15		11,197.77	
		<u>93,594.15</u>		<u>11,197.77</u>	
NET CURRENT ASSETS			118,365.47		735.72
Profit and Loss Account					49,662.08
			<u>3,961,999.18</u>		<u>50,419.30</u>
Notes forming part of Accounts	10				

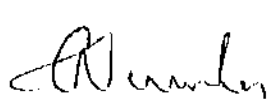

As per our report attached
For N. M. Rajji & Co.,
Chartered Accountants



CA Y.N. Thakkar
Partner

Place: Mumbai
Date: 24 DEC 2009

On behalf of Board of Directors

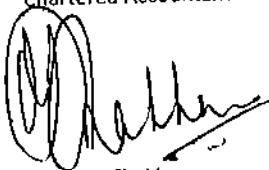
Director

Director




RPG ITOCHU FINANCE LIMITED			
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009			
Particulars	Schedule	For the Year 31-Mar-2009 Rs (in '000)	For the Year 31-Mar-2008 Rs (in '000)
INCOME		1,749.00	-
Interest Income		9,297.32	-
Excess provision written back		11,046.32	-
EXPENSES			
Depreciation	4	0.07	-
Interest		41.76	-
Other Expenses	9	1,530.41	119.18
		1,572.24	119.18
		9,474.08	(119.18)
Profit/(Loss) from Operations			
Less Provisions for doubtful advance		-	100.00
Less Provisions under prudential norms for Income derecognised for Doubtful Debts		-	604.06 45,891.45
		9,474.08	(46,714.69)
Profit/(Loss) Before Taxation			
Less: Provision for Taxation - Current Tax - Deferred Tax		(12,318.60)	(7.18)
		21,792.68	(46,707.51)
Profit/(Loss) after Tax			
Less: Transfer to Statutory Reserve		4,358.54	-
Add: Balance brought forward		(49,662.08)	(2,954.57)
		(32,227.94)	(49,662.08)
Balance of Profit and Loss Account			
Add: Difference as per Scheme of Arrangement		3,828,952.88	-
Less: Balance transferred to General Reserve (Refer Note no. 1 of Schedule 10)		3,796,724.94	-
		-	(49,662.08)
Balance carried to Balance Sheet			
Earnings Per Share (Refer Note no. 6 of Schedule 10)			
- Basic (Rs)		15.23	(35.64)
- Diluted (Rs)		15.06	(35.64)
Notes forming part of Accounts	10		

As per our report attached
For N. M. Rajji & Co.,
Chartered Accountants



CA Y.N. Thakkar
Partner

On behalf of Board of Directors



Director



Director

Place: Mumbai

Date: 24 DEC 2009



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT
31ST MARCH, 2009**

As at

As at

31st March, 2009
Rs (In '000)

31st March, 2008
Rs (In '000)

AUTHORISED:

AUTHORISED:

14,20,00,000 (Previous year 3,00,00,000) Equity Shares of
Rs.10 each
25,00,000 Preference shares of Rs.100 each
1,50,00,000 Preference shares of Rs.10 each
(Refer note no. 1 of Schedule 10)

1,420,000.00

300,000.00

250,000.00

-

150,000.00

-

1,820,000.00

300,000.00

(A) ISSUED, SUBSCRIBED AND PAID UP:

49,78,800 (Previous year 13,10,400) Equity Shares of Rs.10
each (Refer note no. 1 below)

49,788.00

13,104.00

(B) Shares Issued Pending Allotment

Equity Share Capital (Refer note no. 2 below)

59,229.81

-

109,017.81

13,104.00

Notes:

- 1) 49,78,800 (Previous year 13,10,400) Equity Shares were held by FGP Limited, the holding Company till 5th June, 2009.
- 2) 59,22,981 Equity Shares of Rs 10 each are yet to be allotted pursuant to the Scheme of Arrangement without payment being received in cash. (Refer Note no. 1 of Schedule 10)
- 3) 206 Equity Shares are kept in abeyance.

SPECIAL RESERVE

Special Reserve (as per Section 45 I (c) of RBI Act, 1934

Balance as per last Balance Sheet

15.30

-

Add: Transferred from Profit and Loss Account

4,358.54

15.30

4,373.84

15.30

General Reserve

Transfer from Profit and Loss Account

3,796,724.94

-

3,801,098.78

15.30

INTER-CORPORATE DEPOSITS

Inter - Corporate Deposits (ICD)

51,882.59

37,300.00

51,882.59

37,300.00

In respect of the above Loans, Rs 51,882.59 (In '000)
(Previous year Rs 37,300.00 (in '000)) is due and repayable
within a year.

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SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs in '000)

ASSETS	GROSS BLOCK AT COST				DEPRECIATION				NET VALUE	
	As at 1st April, 2008	Additions / Adjustments	Deductions/A djustment	As at 31st March, 2009	1st April, 2008	For the year	Deductions/A djustment	Depreciation Upto 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
	Computers and System	-	143.49	-	143.49	-	0.07	10.61	10.68	132.81
Assets Given on Lease: Plant and Machinery (Refer Note 2)	-	11,998.74	-	11,998.74	-	-	4,280.06	4,280.06	7,718.68	-
Total	-	12,142.23	-	12,142.23	-	0.07	4,290.67	4,290.74	7,851.49	-
Previous Year	-	-	-	-	-	-	-	-	-	-

Notes:

- 1 Additions / Adjustments includes assets taken over from the Transferor Company as per the Scheme of Arrangement. (Refer Note no. 1 of Schedule 10)
- 2 Lease period in respect of Plant & Machinery given on lease has expired in an earlier years. In view of ongoing litigations, the said assets have not been transferred to the lessees.

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009			As at 31st March, 2008	
	Face Value (Rs)	Number of Shares	Rs (In '000)	Number of Shares	Rs (In '000)
LONG TERM - Fully paid up					
I Quoted (Non-Trade)					
Equity Shares					
CESC Limited (Refer note - 1)	10	2,056,794	160,098.68	-	-
CFL Capital Financial Services Limited	10	3,837,500	17,268.75	-	-
Harrisons Malayalam Limited	10	728,150	80,906.43	-	-
KEC International Limited (Refer note - 2)	10	4,857,790	386,729.62	-	-
Phillips Carbon Black Limited (Refer note - 3)	10	1,903,114	121,844.90	-	-
RPG Cables Limited	10	2,200,280	32,124.09	-	-
RPG Life Sciences Limited	8	1,064,560	-	-	-
Saregama India Limited	10	253,444	6,642.85	-	-
Zensar Technologies Limited (Refer note - 4)	10	2,222,138	34,838.25	-	-
II Unquoted					
Subsidiary Company - Trade					
Equity Shares					
KEC Holdings Limited	10	3,295,651	2,382,854.61	-	-
Other Company - Non Trade					
Equity Shares					
Adapt Investment Limited	10	16,200	328.56	-	-
Adorn Investment Limited	10	17,000	515.89	-	-
Basic Telephone Services Limited	10	2	0.02	-	-
Bombay Mercantile Co-op Bank Limited	30	1,666	49.98	-	-
Drabourne Investments Limited	10	158,800	11,323.08	-	-
Chattrapai Investment Limited	100	278,070	1,983.00	-	-
Eastern Aviation and Industries Limited	10	1,068,982	10,689.82	-	-
Hilltop Holdings India Limited (Refer note no. 5)	10	354,654	24,116.47	-	-
Off Shore India Limited	10	4,430,526	814.80	-	-
RPG Cellular Investments & Holdings Private Limited (RCIHL) (Refer note no. 6)	10	7,954,076	68,474.00	-	-
RPG Dholpur Power Company Private Limited	10	4,980	0.01	-	-
SICOM Limited	10	127,500	10,251.00	-	-
The Thane Janata Sahakari Bank Limited	50	10	0.50	-	-
Trade Apartments Limited	10	2,745,000	274.50	-	-
Non Cumulative Redeemable Preference Shares - Non Trade					
12% B.N. Elias and Co. Limited (Refer note - 7)	100	287,500	28.75	-	-
15% RPG Cellular Investments & Holdings Private Limited (Refer note - 8)	100	175,000	17,500.00	-	-
Debentures - Non Trade					
Off Shore India Limited (Refer note - 9)	100	500,000	500.00	-	-
III Others - Non Trade					
RIFL Benefit Trust (Refer note no. 1 of Schedule 10)	-	-	453,116.99	-	-
Total			3,823,215.55		
Aggregate Cost of Quoted Investments			840,453.57		
Market Value of Quoted Investments			1,500,681.54		
Aggregate Cost of Unquoted Investments			2,982,761.98		

Notes:

- 1) a) 8,95,720 shares have been pledged in favour of IDBI Trusteeship Limited. (Lenders of CESC Limited) ✓
- b) A non disposal undertaking of 20,56,522 shares has been given to ICICI Bank Ltd. (Lenders of CESC Limited)
- c) A non disposal undertaking of 9,09,664 shares has been given to International Finance Corporation. (Lenders of CESC Limited) ✓
- 2) A non disposal undertaking of 6,20,000 shares has been given to ICICI Bank Ltd. (Lenders of Pedriano Investments Limited) ✓
- 3) A non disposal undertaking of 12,70,400 shares has been given to ICICI Bank Ltd. (Lenders of Phillips Carbon Black Limited) ✓
- 4) A non disposal undertaking of 22,22,138 shares has been given to ICICI Bank Ltd. (Lenders of Pedriano Investments Limited) ✓
- 5) Pursuant to the Scheme of Universal Industrial Fund Limited (UIFL) with Hilltop Holdings India Limited (HHIL), Company will receive 9,75,298 Equity Shares of UIFL against its holding in HHIL in the ratio of 4:11. Appointed date of this Scheme is 1 April, 2009.
- 6) Pursuant to the Scheme of Arrangement of RCIHL with Jubilee Investment and Industries Limited, RPG Communications Holding Private Limited and Yield Investments Private Limited (Transferor Companies), Company is yet to receive 79,54,076 Equity Shares of RCIHL against its holding in Transferor Companies.
- 7) Redeemable 20 years after the date of allotment i.e. 24.02.1998
- 8) Pursuant to the Scheme of Arrangement of RCIHL with Jubilee Investments and Industries Limited, Company yet to receive 15% fully paid up Non Cumulative Redeemable Preference Shares in the ratio of 1:1. These Shares are redeemable after 01.08.2016.
- 9) Zero % Optional Convertible Debentures, Redeemable on 14.10.2013
- 10) All investments except mentioned below have been acquired pursuant to the Scheme (Refer note no. 1 of Schedule 10);
 - a) 4980 shares of Rs 10 each of RPG Dholpur Power Company Private Limited.
 - b) 6800 shares of Rs 10 each of Drabourne Investments Limited.
 - c) 5,68,982 shares of Rs 10 each of Eastern Aviation and Industries Limited.
 - d) 9,070 shares of Rs 100 each of Chattrapai Investment Limited.

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009 Rs (In '000)	As at 31st March, 2008 Rs (In '000)
SCHEDULE 1: CASH AND BANK BALANCE		
Cash in hand	2.25	0.01
Remittance in transit	45.00	-
with scheduled banks:		
in Unclaimed Dividend Account	1,120.67	-
in Current account	22,692.77	159.24
in Deposit account	62,023.37	-
	<u>85,884.06</u>	<u>159.25</u>
SCHEDULE 2: LOAN AND ADVANCES		
Advances to Corporates	25,573.35	52,945.54
Provision as per prudential norms	-	(45,891.45)
	<u>25,573.35</u>	<u>7,054.09</u>
Lease Rent Receivable	6,392.08	-
Provision for Doubtful Lease Rent Receivable	(6,392.08)	-
	<u>-</u>	<u>-</u>
Other Assets	7,021.22	1,025.00
Provisions for Doubtful Assets	-	(100.00)
	<u>7,021.22</u>	<u>925.00</u>
Interest Accrued on Fixed Deposits	103.41	-
Advance Payment of Tax (Net of Provision)	93,377.58	3,795.15
	<u>126,075.56</u>	<u>11,774.24</u>
SCHEDULE 3: CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities	1,633.23	5,194.57
Advances from Corporates	4,308.34	5,992.34
Interest Accrued but not due	1,120.67	-
Unclaimed Dividend (Not due as on 31.3.2009)	86,531.91	10.86
Other Liabilities	-	-
	<u>93,594.15</u>	<u>11,197.77</u>
SCHEDULE 4: OTHER EXPENSES		
Administrative Expenses	360.00	-
Legal & Professional Charges (Refer note no. 4 of Schedule 10)	123.47	113.50
Loans & Advance Written off	985.00	-
Miscellaneous Expenses	61.94	5.68
	<u>1,530.41</u>	<u>119.18</u>

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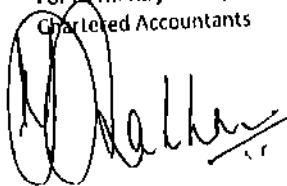


RPG ITOCHU FINANCE LIMITED					
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009					
		31st March, 2009		31st March, 2008	
		Rs (In '000)	Rs (In '000)	Rs (In '000)	Rs (In '000)
A.	CASH FLOW FROM OPERATING ACTIVITIES:				
	NET PROFIT BEFORE TAX		9,474.08		(16,714.69)
	Add: Depreciation		0.07		-
	OPERATING LOSS BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		9,474.15		(16,714.69)
	Changes In:			79,895.51	
	Trade and other receivables	(292.78)		(215.72)	
	Trade payables	(1,506.62)	(1,799.40)		79,679.79
	CASH GENERATED FROM OPERATIONS		7,674.75		32,965.10
	Direct taxes paid (net of refunds)				
	NET CASH FROM OPERATING ACTIVITIES	(a)	7,674.75		32,965.10
B.	CASH FLOW FROM INVESTING ACTIVITIES:				
	Purchase of Investments		(7,277.80)		-
	NET CASH FROM INVESTING ACTIVITIES	(b)	(7,277.80)		-
C.	CASH FLOW FROM FINANCING ACTIVITIES:				
	Decrease in Unsecured Loan				(34,000.00)
	NET CASH USED IN FINANCING ACTIVITIES	(c)			(34,000.00)
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(a+b+c)	396.95		(1,034.90)
	Cash and Cash Equivalents - Opening Balance		159.25		1,194.15
	Cash and Cash Equivalents taken over as per the Scheme of Arrangement (Refer note no 1 of Schedule 10)		85,327.86		
	Cash and Cash Equivalents - Closing Balance		85,884.06		159.25

Notes:

- 1 Previous year's figures have been regrouped wherever necessary.
- 2 All figures in the bracket are outflows.

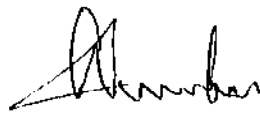
As per our report attached
For N. M. Rajji & Co.,
Chartered Accountants



CA Y.N. Thakkar
Partner

Place: Mumbai
Date: 24 DEC 2009

On behalf of Board of Directors



Director



Director



**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON
MARCH 31, 2009**

Schedule - 10 Notes forming part of Accounts

A. Significant Accounting Policies

a) Fixed Assets

- i) Fixed assets are stated at cost. Cost comprises cost of acquisition, cost of improvements and any attributable cost of bringing the asset to the condition for its intended use.
- ii) Fixed Assets taken over from the Transferor Companies are recorded at fair value as per the Scheme of Arrangement.

b) Depreciation

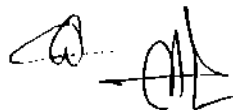
Depreciation is provided on the Straight Line Method, at the rates prescribed in Schedule XIV the Companies Act, 1956.

c) Revenue Recognition

Interest recognition, Assets classification and provisions for non performing assets are done as per the prudential norms laid down by Reserve Bank of India in relation to Non Banking Financial Companies. Recovery received in NPA accounts is first adjusted against principal amount.

d) Investments

- i) Investments being long term are stated at cost. Provision against diminution in the value of investments is made in case diminution is considered as other than temporary, as per criteria laid down by the Board of Directors after considering that such investments are strategic in nature.
- ii) Investments taken over from the Transferor Companies are recorded at book value as per the Scheme of Arrangement.
- iii) Current investments are stated at lower of cost or fair value.



e) **Lease Transactions:**

- i) In respect of lease rentals, a matching annual charge is made to the Profit and Loss Account, representing recovery of net investment of leased during the year. The said charges is calculated by deducting finance income for the year (arrived at by applying the interest rate implicit in the lease to the net investment in the lease during the year) from the lease rental. This annual charge comprises of books depreciation (as per policy stated in paragraph (b) above) and a lease equalization charge, where the annual lease charge is more than the book depreciation. Where the annual lease charge is less than the book depreciation, a lease equalization is taken.
- ii) The amount of lease equalisation charge for the year (whether in debit or credit) is adjusted against the amount of lease rentals.

f) **Taxes on Income**

- a. **Current Tax:** Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.
- b. **Deferred Tax:** Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using tax rates and laws enacted or substantively enacted on the Balance Sheet date.

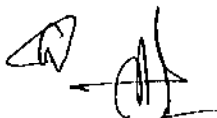
Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

B. **Notes to Accounts:**

1. The scheme of arrangement between Summit Securities Limited (SSL) and Brabourne Enterprises Limited (BEL) and Octav Investments Limited (OIL) and CHI Investments Limited (CHI) (Transferor Companies) and with the Company

- (i) Pursuant to the Scheme of Arrangement (the Scheme) between Transferor Companies and the Company as approved by the shareholders at the Court convened meetings held on 23rd and 26th of October, 2009 and subsequently sanctioned by Hon'ble High Court of Judicature at Bombay, Maharashtra, under the provisions of the Companies Act, 1956 vide its Order dated 18th December, 2009 and which has been filed with Registrar of the Companies on 23rd December, 2009 and with Reserve Bank of India on 24th December, 2009, the Transferor Companies stand dissolved without being wound up with effect from the Appointed Date i.e. 31st March, 2009. The Scheme has accordingly been given effect to in the accounts of the year.

The Transferor Companies were engaged in the investments and Financial business.

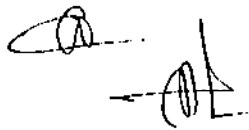


(ii) As a consequence of the Scheme;

- a. The assets and liabilities except investments of the Transferor Companies as at 31st March, 2009 have been recorded in the books of account of the Company at fair value considering the requirement of "Purchase Method" as prescribed under Accounting Standard 14 as notified by the Companies (Accounting Standards) Rules, 2006 and as modified under the Scheme approved by the Honourable High Court.
- b. Investments have been recorded at book value.
- c. The Authorised Share Capital of the Company has been automatically increased, without any further act, instrument or deed including payment of stamp duty and fees payable to Registrar of Companies, by the Authorised Share Capital of the Transferor Companies.
- d. Investments held by CHI (Transferor Company) in equity shares of SSL, BEL and OIL will be credited to the RIFL Benefit Trust as per the Scheme.
- e. The allotment of Shares to the shareholders of the Transferor Companies and the cancellation of the existing Shares in term of the Scheme are pending. The impact thereof has been shown in this Account as 'Share Issued Pending Allotment'.
- f. The difference between the value of Assets and Liabilities acquired from the Transferor Companies as reduced by the Equity Shares to be allotted to the shareholders of the Transferor Companies (in the ratio of 1 Equity Share of face value of Rs.10 each credited as fully paid up of the Company for every 16, 28, 21 and 6 Equity Shares of Face value of Rs.10 each held in SSL, BEL, OIL and CHI respectively) has been adjusted against the debit balance in the Profit and Loss Account to the extent available and the balance has been credited to General Reserve Account as per the details given below;

(Rs in '000)

Net Assets taken over	3,888,182.69
Less: Equity Shares allotted to the Share Holders of Transferor Companies	59,229.81
Amount Credited to Profit and Loss Account	3,828,952.88
Less: Amount adjusted against the debit balance of Profit and Loss Account	32,227.94
Amount Credited to General Reserve Account	3,796,724.94





g. Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Scheme, such assets and liabilities remain in the name of the Transferor Companies.

(iii) In view of the Scheme being effective, the figures for the year ended 31st March, 2009 are not comparable with those of the previous year.

2. Contingent liabilities not provided for:

Claims against the company not acknowledge as debts:

Sr.	Nature of Claims	2008-09 (Rs in '000)
1	Income Tax	111,531
2	Civil Suits	2,970
3	Central Excise Act (Tax / Penalty / Interest)	232

3. Interest Income includes Rs.11.14 Lacs pertaining to earlier year, realized during the year.

4. Auditor's Remuneration

Auditor's Remuneration	(Rs in '000)	
	2008-2009	2007-2008
- Statutory Audit	88.24	12.36
- Tax Audit Fee	-	8.49
- For certification work	15.48	16.93
- For out of expenses	-	3.25
- For Income Tax matter	18.43	20.79
Total	122.15	61.82

5. Information relating to Related Party Transactions as per Accounting Standard 18 "Related Party Disclosure" as notified by the Companies (Accounting Standards) Rules, 2006 is given below:

- A) **Related Party Relationship (As certified by the management);**
 KIC Holdings Limited, Subsidiary Company (from 31st March, 2009)
 FGP Limited, Holding company (till 5th June, 2009)



B) Transaction with Related Party (FGP Limited);

	(Rs in '000)	
	31-Mar-09	31-Mar-08
i) Unsecured Loan		
Taken during the year	200	-
Paid during the year	-	34,000
Converted into equity share during year	35,000	-
Balance Outstanding	-	34,800
ii) Interest accrued thereon		
Paid during the year	1,684	926
Balance Outstanding	4,242	5,926
iii) Other advances		
Taken during the year	-	1,000
Balance Outstanding	1,814	1,814

6. Earnings Per Share (EPS):

	2008-2009	2007-2008
Weighted average Number of equity shares for calculation of Basic EPS	14,31,005	13,10,400
Weighted average Number of equity shares for calculation of Diluted EPS	14,47,232	13,10,400
Net Profit available for equity shareholders (Rs in '000)	21,792.68	(46,707.51)
Face Value per share (Rs)	10	10
Basic EPS (Rs)	15.23	(35.64)
Diluted EPS (Rs)	15.06	(35.64)

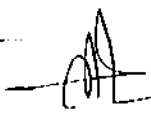

7. Deferred Tax Asset:

	(Rs in '000)	
	2008-2009	2007-2008
Deferred Tax Asset on account of timing difference (Includes Rs 226.58 ('000) as per Scheme of Arrangement)	12,566.67	21.50

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8. The Company is a NBFC & primarily engaged in the investment in securities which is considered as one segment. As such, there is no other separate reportable segment as defined by Accounting Standard -17 "Segment Reporting" as notified by the Companies (Accounting Standards) Rules, 2006.
9. There are no outstanding to parties covered under the Micro, Small and Medium Enterprises as per Micro Small Medium Enterprises Development Act, 2006. This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.
10. Previous year's figure have been regrouped and rearranged, wherever necessary.



RPG ITOCHU FINANCE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

BUSINESS PROFILE

I Registration Details

Reg No. U65921MH1997PLC194S71 State Code 11

Balance Sheet Date 31 03 2009
Date Month Year

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue Nil

Rights Issue Nil

Bonus Issue Nil

Private Placement 95913.81

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)
(Refer note no. 1 of Schedule 10)

Total Liabilities 3961999.18

Total Assets 3961999.18

Source of Funds

Paid-up Capital 109017.81

Reserves & Surplus 3801098.78

Secured Loans Nil

Unsecured Loans 51882.59

Application of Funds

Net Fixed Assets 7851.49

Investments 3823215.55

Net Current Assets 118365.47

Misc. Expenditure Nil

Accumulated Losses Nil

IV. Performance of Company (Amount in Rs. Thousands)

Turnover 11046.32

Total Expenditure 1572.24

Profit / Loss before tax 9474.08

Profit / Loss after tax 21792.68

(Please tick Appropriate box + for Profit, - for Loss)

Earning per share in Rs.
Basic 15.23

Dividend rate % 0

Diluted 15.06

V. Generic Name of Three Principal Products / Services of Company (as per Monetary Terms)

Item Code No. (ITC Code) Nil

As per our report attached
M. M. Rajji & Co.,
Chartered Accountants

On behalf of Board of Directors

(Signature)

(Signature)

CA Y.N. Thakkar
Partner

Director Director

Place: Mumbai

Date: **24 DEC 2009**

