

# PAWANSUT HOLDINGS LIMITED

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Regd. Off. : 208, Mukund House, Commercial Complex, Azadpur, Delhi – 110033

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## NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of **M/s Pawansut Holdings Limited** will be held on Monday, 29<sup>th</sup> September 2008 at 10.00 AM at the registered office of the Company to transact the following business: -

### ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March 2008 and Profit & Loss Account for the year ended on that date along with report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Laxman Singh Satyapal, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in connection therewith to pass, with or without modification(s), the following resolution as Ordinary Resolution: -

**“RESOLVED THAT** pursuant to the provisions of Section-224 of the Companies Act, 1956 M/s M.M. Goyal & Co., Chartered Accountants, the retiring Auditors, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of the present Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors of the company.”

**For and on behalf of Board of Directors**

Place : New Delhi  
Dated : September 2, 2008

**Sd/-  
Director**

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER PLACE AND THE PROXY NEEDS NOT BE A MEMBER OF THE COMPANY. THE PROXIES MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
2. Members are requested to intimate to Company the changes, if any in their registered address along with pin code number.
3. The Register of Members and Share Transfer Books of Company will remain closed on 29<sup>th</sup> September 2008 for the purpose of Annual General Meeting.
4. Members who hold shares in multiple folios in identical names are requested to send the share certificates to the company for consolidation into a single folio. Members are requested to notify correction/ change in address, if any, to the Company at its Registered Office, quoting their Folio Number.
5. Members desiring any information as regards accounts and operations are required to write to the company at its registered office at least 7 days before the date of the meeting so that the information is made available at the meeting.
6. A blank Attendance Slip is annexed to the proxy form. Members are requested to fill up the particulars of the Attendance Slip, affix their signature in the appropriate place and hand it over to the company's officials at the entrance of the Meeting venue.
7. The equity shares of the company are listed at the Delhi Stock Exchange Association Limited 3/1, Asaf Ali Road, New Delhi-110002.
8. Members are requested to bring their copy of this Annual Report to the Meeting.

## **DIRECTORS' REPORT**

### **TO THE MEMBERS**

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report on the business and operations of your company and the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March 2008.

### **FINANCIAL HIGHLIGHTS**

The performance of the Company for the financial year ended March 31, 2008 is summarized below:

	<b>Year ended <u>31<sup>st</sup> March, 2008</u></b>	<b>Year ended <u>31st March, 2007</u></b>
		<b>(Rupees)</b>
Interest income & sale of securities	<b>55456219</b>	<b>60,21,941</b>
Less: Depreciation	<b>39,787</b>	<b>39,787</b>
Less: Preliminary Expenses	<b>----</b>	<b>32,612</b>
Profit before Tax	<b>202491</b>	<b>98,003</b>
Less: Provision for Tax	<b>137964</b>	<b>70,302</b>
Profit after Tax	<b>43081</b>	<b>31,911</b>
Add: deferred tax asset	<b>8845</b>	<b>4210</b>
Add: Profit Brought forward	<b>426745</b>	<b>501,545</b>
Balance Carried Forward	<b>461230</b>	<b>426,765</b>

### **DIVIDEND**

Your Directors do not declare any dividend for the year with a view to conserve the resources for future growth plans of the Company.

## **FIXED DEPOSITS**

The Company has not accepted fixed deposits from public or Shareholder or employees during the year, within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder.

## **DIRECTORS**

Pursuant to Article 89(2) of the Articles of Association of the Company, Sh. Laxman Singh Satyapal, Director retires by rotation and being eligible offers himself for re-appointment.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that: -

- i) in preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) 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 a true and fair view of the state of affairs of the company as at March 31, 2008 and of the profit of the company for the year ended on that date;
- iii) 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 fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis.

## **AUDITORS AND AUDITORS' REPORT**

**M/s M.M. Goyal & Company**, Chartered Accountants, the Auditors retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. A Certificate in terms of Section 224(1B) of the Companies Act, 1956 has been received from them regarding their eligibility for re-appointment. The Board recommends their re-appointment subject to the approval of shareholders at the Annual General Meeting of the Company.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS /OUTGO**

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is not applicable to the company as the Company being engaged in financing does not have any energy utilization or technology absorption. The Company during the year under consideration has not earned or spent any foreign exchange.

### **PERSONNEL**

There is no employee whose remuneration exceed the limits for which disclosure is required in accordance with section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

### **ACKNOWLEDGEMENT**

Yours Directors would like to express their sincere appreciation for the assistance and co-operation received from shareholders, bankers, financial institutions, consultants and other business constituents during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed services and valuable contribution made by all the employees of the Company.

**For and on behalf of Board of Directors**

Place : New Delhi  
Dated : September 2, 2008

Sd/-  
**Director**

Sd/-  
**Director**

**M. M. Goyal & Co.**  
Chartered Accountants

208, Allied House  
2, Old Rohtak Road  
Inderlok, New Delhi – 35

**AUDITORS' REPORT**  
**TO THE MEMBERS OF PAWANSUT HOLDINGS LIMITED**

We have audited the attached Balance Sheet of **PAWANSUT HOLDINGS LIMITED** as at 31st March, 2008 the Profit & Loss Account of the Company for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. 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.

We concluded 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 amount 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, and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
3. The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
4. In our opinion the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
5. According to the information and explanations given to us and on the basis of the written representations received from the directors as on 31st March, 2008, taken on record by the board of directors, none of the directors is disqualified as at 31<sup>st</sup> March 2008, from being appointed as a director under Section 274(1)(g) of the Companies Act, 1956.
6. In our opinion, and to the best of our information and according to the explanations given to us, the said account 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 :
  - i) In the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2008,
  - ii) In the case of Profit & Loss Account, of the Profit for the year ended on that date and,
  - iii) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.
7. As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report)(Amended order 2004) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets. We have been informed that the fixed assets of the company are physically verified by the Management, which in our opinion, is reasonable having regards to the size of the company and the nature of its assets. Physical verification was carried out during the year and no material discrepancies were noticed.
  - (b) In our opinion and according to the information explanations given to us, substantial part of fixed assets have not been disposed off by the Company during the year.
- (ii) (a) As explained to us the inventories of securities, has been physically verified by the management during the year.
- (b) In our opinion the procedures of physical verification of inventories of securities followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company has maintained proper records of inventory and there were no material discrepancy noticed on physical verification having regard to the size of the operation of the company.
- (iii) (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956.
- (b) The Company has not taken any loans secured or unsecured from companies, firms or other parties listed in register maintained under section 301 of the companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, the company has adequate internal control procedure in general commensurate with the size of the company and the nature of its business, for the purpose of sale and purchases of shares.
- (v) (a) In our opinion and according to the information and explanations given to us the contracts and arrangements that need to be entered into the register maintained under section 301 of the Act, have been entered in the said register.
- (b) In our opinion the aforesaid transactions have been made at prices which are reasonable having regards to the market price prevailing at the relevant time.
- (vi) The company has not accepted any deposits under the provision of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under, do not apply.
- (vii) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanation given to us, maintenance of cost records by the company is not required under the provisions of section 209(l)(d) of the Companies Act, 1956, in respect of the business activities carried out by the company.
- (ix) (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on management representations the Provident Funds Act and Employees State Insurance Act are not applicable to the company, undisputed statutory dues in respect of income tax and other material statutory dues have generally been regularly deposited by the company during the year with the appropriate authorities in India, Further there were no undisputed arrears of statutory dues outstanding as at 31<sup>st</sup> March 2008 for a period of more then six months from the date they become payable.

- (b) As at 31st March, 2008 there are no dues of sales tax, income tax, custom duty, service tax, wealth tax and cess which has not been deposited on account of any dispute.
- (x) The Company has neither accumulated losses as at March 31<sup>st</sup> 2008, nor it has incurred any cash losses either during the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us and as shown by the records examined by us there were no dues payable to financial institutions or banks.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund, nidhi, mutual benefit fund or societies. Therefore the provisions of clause 4 (xiii) of the Companies (Auditors) order 2003 are not applicable to the Company.
- (xiv) According to the information and explanations given to us proper records have been maintained in respect of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. The shares and other securities have been held by the company in its own name, or are in the process of transfer in its name, except to the extent of exemptions granted under section 49 of the Act.
- (xv) According to the information and explanations given to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not taken any term loan during the year.
- (xvii) Based on information and explanations given to us and as an overall examinations of the book of accounts as on 31.03.2008, we report that no funds raised on short term basis have been used for long term investment by the Company.
- (xviii) According to the information and explanations given to us and as shown by the records examined by us the Company has not made any preferential allotment of shares to the parties and Companies covered under section 301 of the Companies Act, 1956.
- (xix) There are no debentures issued and outstanding at the year end.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) 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 instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **M. M. GOYAL & CO.**  
Chartered Accountants

Sd/-  
**M. M. GOYAL**  
Partner  
**M. No. 86085**

Place : Delhi  
Dated : 02.09.2008

**M. M. Goyal & Co.**  
Chartered Accountants

208, Allied House  
2, Old Rohtak Road  
Inderlok, New Delhi – 35

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF**  
**PAWANSUT HOLDINGS LIMITED**

1. As required by Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions 1998, issued by the Reserve Bank of India in terms of section 45MA(IA) of the Reserve Bank of India Act, 1934 on the matters specified in paragraph 3 of the Direction, we observed that :
- (A) The company has obtained the Certificate of Registration from the Reserve Bank of India, under section 45 – IA of R. B. I. Act, 1934.
- (B) As the company is not accepting/holding public deposits hence this clause 'B' of paragraph 3 of the NBFC Auditors' Report (Reserve Bank) Direction 98 not applicable to the company.
- (C)
- (i) The Board of Directors has passed a resolution for the non-acceptance of any public deposits.
- (ii) The company has not accepted any public deposits during the relevant year.
- (iii) The Company has complied with the prudential norms relating to income recognition, accounting standards, and assets classification and provisioning for bad and doubtful debts as applicable to it.
- (D) Clause 'D' of paragraph 3 of the NBFC Auditors' Report (Reserve Bank) Direction, 1998 not applicable to the Company.

For **M. M. GOYAL & CO.**  
Chartered Accountants

Sd/-

**M. M. GOYAL**  
Partner  
M. No. 86085

Place : Delhi

Dated : 02.09.2008

**PAWANSUT HOLDINGS LIMITED, DELHI**

**BALANCE SHEET AS AT 31ST MARCH, 2008.**

	<b><u>SCHEDULE</u></b>	<b><u>AS AT</u></b> <b><u>31.03.2008</u></b> <b><u>Rupees</u></b>	<b><u>AS AT</u></b> <b><u>31.03.2007</u></b> <b><u>Rupees</u></b>
<b><u>I. SOURCES OF FUNDS</u></b>			
1. Shareholder's Funds			
a) Share Capital	1	29,990,000	29,990,000
b) Reserves & Surplus	2	576,537	533,456
2. Deferred Tax Liability (Net)		15,588	24,433
		<u>30,582,125</u>	<u>30,547,889</u>
<b><u>II APPLICATION OF FUNDS</u></b>			
1. Fixed Assets	3		
Gross Block		226,940	226,940
Less : Depreciation		178,116	138,329
Net Block		<u>48,824</u>	<u>88,611</u>
2. Current Assets, Loans and Advances:			
a) Inventories	4	2,135,057	5,796,116
b) Sundry Debtors	5	1,506,600	1,602,000
c) Cash & Bank Balances	6	1,859,816	1,624,884
d) Loans & Advances	7	<u>63,986,854</u>	<u>34,221,485</u>
		69,488,327	43,244,485
Less: Current Liabilities & Provisions	8	<u>38,955,026</u>	<u>12,785,207</u>
Net Current Assets		<u>30,533,301</u>	<u>30,459,278</u>
		<u>30,582,125</u>	<u>30,547,889</u>
Notes on Accounts	12		

In terms of our report of even date attached

For **M. M. GOYAL & CO.**  
Chartered Accountants

For and on behalf of the Board

sd/-

**M. M. GOYAL**  
Partner  
M. No. 86085

sd/-  
**Director**

sd/-  
**Director**

Place : Delhi  
Dated : 02/09/2008

**PAWANSUT HOLDINGS LIMITED, DELHI**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008.**

	<b><u>SCHEDULE</u></b>	<b><u>AS AT</u></b> <b><u>31.03.2008</u></b> <b><u>Rupees</u></b>	<b><u>AS AT</u></b> <b><u>31.03.2007</u></b> <b><u>Rupees</u></b>
<b><u>INCOME</u></b>			
Interest		5,953,625	3,641,761
Sale of Securities		49,451,405	2,350,994
Misc. Income		22,709	18,096
Dividend		28,480	11,090
		<u>55,456,219</u>	<u>6,021,941</u>
<b><u>EXPENDITURE</u></b>			
Purchase of Securities		45,772,027	4,668,960
Administrative & Other Expenses	10	4,827,733	3,412,267
Decrease/(Increase) in stocks		3,661,059	(3,664,917)
Preliminary Expenses Written off		---	32,612
Depreciation		39,787	39,787
Loss on Securities (F&O)		796,986	1,406,346
STT		156,136	28,883
		<u>55,253,728</u>	<u>5,923,938</u>
Profit before Taxation		202,491	98,003
Provision for current Tax		(111,126)	(43,701)
Provision for F.B.T.		(26,838)	(26,601)
Add Defered Tax Asset		8,845	4,210
Income Tax on earlier year (A.Y 1990-91)		(30,291)	---
Net Profit for the year		43,081	31,911
Transfer to reserve funds as per RBI Guidelines		8,616	106,691
Add : Profit brought forward from previous year		426,765	501,545
Balance of Profit Carried Over to next year		<u>461,230</u>	<u>426,765</u>
Basic and Diluted Earnings per share		0.01	0.01
Notes on Accounts	12		

In terms of our report of even date attached

For **M. M. GOYAL & CO.**  
Chartered Accountants

For and on behalf of the Board

**sd/-**  
**M. M. GOYAL**  
Partner  
M. No. 86085

**sd/-**  
**Director**

**sd/-**  
**Director**

Place : Delhi  
Dated : 02.09.2008

**PAWANSUT HOLDINGS LIMITED, DELHI**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008**  
**(Pursuant to the Listing agreement with Stock Exchange)**

	<u>YEAR ENDED</u> <u>31.03.2008</u> <u>Rupees</u>	<u>YEAR ENDED</u> <u>31.03.2007</u> <u>Rupees</u>
<b><u>A. CASH FLOW STATEMENT FROM OPERATING ACTIVITIES</u></b>		
Net profit before tax & Extraordinary items	202,491	98,003
Adjustments for :		
Miscellaneous Expenses writtenoff	---	32,612
Depreciation	39,787	39,787
Interest paid	---	---
Operating Profit before working Capital changes	242,278	170,402
Adjustments for :		
Trade & Other Receivables	(29,669,969)	(8,671,790)
Inventories	3,661,059	(3,664,917)
Trade Payables and other Liabilities	26,169,819	12,418,275
Cash generated from operations	403,187	251,970
Direct Taxes Paid	(168,255)	(70,302)
Cash flow before extraordinary items	234,932	181,668
Net cash from operating activities	234,932	181,668
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Proceeds from sale of Investments	---	1,400,000
Purchase of Investment	---	---
Purchase of Fixed Assets	---	---
Net cash from investing activities	---	1,400,000
<b><u>C. CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Interest paid	---	---
Net cash used in financing activities	---	---
Net increase/(decrease) in cash and cash equivalent (A+B+C)	234,932	1,581,668
Cash and Cash equivalent as at 01.04.2007	1,624,884	43,216
Cash and Cash equivalent as at 31.03.2008	1,859,816	1,624,884

For **M. M. GOYAL & CO.**  
Chartered Accountants

For and on behalf of the Board

**sd/-**  
**M. M. GOYAL**  
Partner  
M. No. 86085

**sd/-**  
**Director**

**sd/-**  
**Director**

Place : Delhi  
Dated : 02.09.2008

**PAWANSUT HOLDINGS LIMITED, DELHI****SCHEDULE 11 :-**

Disclosure of details required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

PARTICULARS	Amount outstanding Rupees	Amount overdue Rupees
Liabilities Side:		
(1) Loans and advances availed by the NBFC inclusive of Interest accrued thereon but not paid:		
(a) Debentures: Secured	NIL	NIL
Unsecured (Other than falling within the meaning of public deposits*)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial paper	NIL	NIL
(f) Public Deposits'	NIL	NIL
(g) Other Loans	NIL	NIL
(2) Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :	NIL	NIL
Assets Side:		
		Amount
Outstanding		
(3) Break-up of Loans and Advances [other than those includes in (4) below] :		
(a) Secured		---
(b) Unsecured		61,959,358
(4) Break-up of leased Assets and stock on hire and hypothecation Loans counting towards EL/HP activities		NIL
(5) Break-up of Investments:		
Current Investments:		2,135,057
Long Term investments:		NIL
1. Quoted		
2. Unquoted:		
i) Shares:		NIL
(a) Equity		

(6) Borrower group-wise classification of loans and advances:

Category provisions		Amount		
		Secured	Unsecured	Total
1.	Related parties	---	---	---
2.	Other than related parties	---	61,959,358	61,959,358

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category Book value (net Of provisions)		Market value /Break-up Or fair value or NAV
1.	Related Parties**	
	(a) Subsidiaries	NIL
	(b) Companies in the same group.	
	(c) Other related parties	
2.	Other than related parties	2,135,057
	<b>Total</b>	<b>2,135,057</b>

(8) Other Information

Particulars		Amount
i)	Gross Non-performing assets	
	(a) Related parties	NIL
	(b) Other than related parties	
ii)	Net Non-performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	
iii)	Assets acquired in satisfaction of debt	NIL

**SCHEDULE 12 :**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**i) BASIS OF ACCOUNTING**

The financial statements have been prepared on the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies act, 1956 and the applicable accounting standards issued by the Institute of Chartered Accountants of India.

**ii) INCOME & EXPENSES**

The company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

iii) **DEPRECIATION**

Depreciation is provided on fixed assets on straight-line method at the rates specified in schedule XIV of the Companies Act, 1956.

iv) **FIXED ASSETS**

Fixed assets are stated at cost less depreciation.

v) **INVESTMENTS**

The investments are stated at cost. Provision for diminution in value of investments is made by the company to recognise permanent decline if any in the value of each investment.

vi) **TAXES ON INCOME**

Current tax is the amount of tax on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961. Deferred tax liability/assets is recognised subject to the consideration of prudence on timing deference, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

vii) **CONTINGENT LIABILITIES**

Disputed liabilities and claims are treated, as contingent liabilities. Claims against the company not acknowledged as debts Rs. Nil (P.Y. Nil)

viii) **RETIREMENT BENEFITS**

The provision of provident fund and gratuity are not applicable to the company leave encashment is provided on the basis of leave entitlement of employees remaining unutilized at the end of the year.

2. Earning per share is calculated by dividing the profit attributed to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

	<b><u>Current year</u></b> <b>Amount (Rs.)</b>	<b><u>Previous year</u></b> <b>Amount (Rs.)</b>
Profit after tax (In Rupees)	43,081	31,911
Weighted average number of shares outstanding during the year	29,99,000	29,99,000
Basic Earning per Share	0.01	0.01
Diluted Earning per share	0.01	0.01
Nominal Value per Share	10.00	10.00

3. The company has recognised deferred tax Assets of Rs. 8,845/- for the year ended 31<sup>st</sup> March 2008. The Components of deferred tax liability is as under: -

	<u>Current Year</u> <u>Amount (Rs.)</u>	<u>Previous Year</u> <u>Amount (Rs.)</u>
(a) Opening deferred tax liability	24,433	28,643
(b) Deferred tax assets (Timing difference between book and tax depreciation)	8,845	4,210
Net deferred tax liability	<u>15,588</u>	<u>24,433</u>

4. Disclosure of details pertaining to related party transactions in terms of accounting standard 18 - Related party disclosures issued by the Institute of Chartered Accountants of India.

(I) List of Related Parties :

- (a) Key Managerial Personnel
- (i) Laxman Singh Satyapal, Director
  - (ii) Pradeep Kumar Jindal, Director
  - (iii) Meera Mishra, Director

There were no transactions with the related parties during the year.

Note: Related party relationship is as identified by the company and relied upon by the auditors.

5. The company's sole business segment is loan and investment and the geographical segment is India. Consequently the need for separate disclosure as required under Accounting standard 17 segment reporting is not considered relevant.

6. Amount paid/payable to auditors :

	<u>Current Year</u> <u>Amount (Rs.)</u>	<u>Previous Year</u> <u>Amount (Rs.)</u>
As Audit Fee	4,000/-	4,000/-
Tax Audit Fee	<u>1,500/-</u>	<u>1,500/-</u>
	<u>5,500/-</u>	<u>5,500/-</u>

7. **ADDITIONAL INFORMATION**

Quantitative Details

<b>Name of Items</b>	<b>Opening Stock</b>		<b>Purchases</b>		<b>Sales</b>		<b>Closing Stock</b>	
	Qty.	Amount. Rupees	Qty.	Amount Rupees	Qty.	Amount Rupees	Qty.	Amount Rupees
Shares & Securities	29260	5,796,116	15658	2,042,205	28720	5,703,264	16198	2,135,057

8. There are no dues due to small scale Industrial undertaking which are required to be disclosed as per schedule VI to the Companies Act, 1956.

9. Pursuant to provisions of section 205C of the Companies Act, 1956 during the year, the Company is not required to transfer any amount due for transfer to Investors Education Protection fund.

10. Additional information as required under part IV of schedule VI of companies Act, 1956 enclosed.

11. Previous figures have been regrouped and reclassified whenever necessary.

**10. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(As per Schedule (VI), part (IV) of the Companies Act 1956)

1. **Registration No.** **019506** State Code 55  
Balance Sheet date 31.03.2008

**2. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)**

Public Issue Nil Right Issue Nil  
Bonus Issue Nil Private Placement Nil

**3. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS**

(Amount Rs. In Thousand)

Total Liabilities 30582 Total Assets 30582

**SOURCES OF FUNDS**

Paid up Capital 29990 Reserves & Surplus 576  
Secured Loans Nil Unsecured Loans Nil  
Deferred Tax Liability 16

**APPLICATION OF FUNDS**

Net Fixed Assets 49 Investment NIL  
Net Current Assets 30533 Misc. Expenditure NIL  
Accumulated Losses Nil

**4. PERFORMANCE OF THE COMPANY**

(Amount in Rs. Thousands)

Total Income 55456 Total Expenditure 55254  
Profit/Loss Profit/Loss  
Before Tax 202 After Tax 43  
Earning per share in Rs. 0.01 Dividend Rate % Nil

**5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY**

(As per monetary terms)

Item Code No. (ITC Code) N. A.  
Product Description:

11. Previous year figures have been regrouped/rearranged and rounded off to nearest rupees wherever considered necessary.

For **M. M. GOYAL & CO.**

Chartered Accountants

Sd/-  
**M. M. GOYAL**  
Partner  
M. No. 86085

sd/- sd/-  
**Director Director**

Place : Delhi  
Dated: 02.09.2008

**PAWANSUT HOLDINGS LIMITED**

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

**SCHEDULE :1 SHARE CAPITAL**

	<b><u>AS AT</u></b> <b><u>31.03.2008</u></b> <b><u>Rupees</u></b>	<b><u>AS AT</u></b> <b><u>31.03.2007</u></b> <b><u>Rupees</u></b>
<u>Authorised</u> 3,000,000 Equity Shares of Rs. 10/- each	30,000,000	30,000,000
<u>Issued, subscribed and paid up</u> 2,999,000 Equity Shares of Rs. 10/- each fully paidup	29,990,000	29,990,000
	<u>29,990,000</u>	<u>29,990,000</u>

**SCHEDULE : 2 RESERVES AND SURPLUS**

Profit & Loss Account	461,230	426,765
Reserve Fund (As per RBI Guidelines)	115,307	106,691
	<u>576,537</u>	<u>533,456</u>

**SCHEDULE : 3 FIXED ASSETS**

S.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION		NET BLOCK		
		AS AT 01.04.07	ADDITION DURING THE YEAR	AS AT 31.03.08	UP TO 31.03.07	FOR THE YEAR	AS AT 31.03.08	AS AT 31.03.08	AS AT 31.03.07
1	Computer	226,940	---	226,940	138,329	39,787	178,116	48,824	88,611
	Total Rs.	226,940	---	226,940	138,329	39,787	178,116	48,824	88,611
	Previous Year	226,940	---	226,940	98,542	39,787	138,329	88,611	---

**SCHEDULE 5 : SUNDRY DEBTORS**

(Debts considered good for which the company holds no security other than the Debtor's personal Security)

a) Debts outstanding for a period exceeding six months	---	---
b) Others	1,506,600	1,602,000
	<u>1,506,600</u>	<u>1,602,000</u>

**SCHEDULE 6 : CASH & BANK BALANCES**

Cash in hand	1,840,100	312,572
Balance in Current A/c with Schedule Banks	19,716	1,312,312
	<u>1,859,816</u>	<u>1,624,884</u>

**SCHEDULE 7 : LOANS & ADVANCES**

(Unsecured, and considered good by the management)

Loans & Advance Recoverable in Cash or in kind of for value to be received		
Loans	61,934,358	32,922,059
Advances	25,000	25,000
Tax Deducted at Sources (A.Y. 2006-07)	---	512,241
Tax Deducted at Sources (A.Y. 2007-08)	712,185	712,185
Tax Deducted at Sources (A.Y. 2008-09)	1,265,311	---
Magadh Stock Exchange	50,000	50,000
	<u>63,986,854</u>	<u>34,221,485</u>

**PAWANSUT HOLDINGS LIMITED, DELHI**

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

	<b><u>AS AT</u></b>	<b><u>AS AT</u></b>
	<b><u>31.03.2008</u></b>	<b><u>31.03.2007</u></b>
	<b><u>Rupees</u></b>	<b><u>Rupees</u></b>
<b><u>SCHEDULE 8 : CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
Expense Payable	10,000	174,800
Audit fees payable	11,000	5,500
Ganesh Ji Maharaj	1.25	1.25
Amount Payable	38,746,181	11,074,681
Sundry Creditors	---	1,353,961
Provision for Taxation ( A.Y. 2006-07)	---	57,900
Provision for Taxation ( A.Y. 2007-08)	43,701	43,701
Provision for Taxation ( A.Y. 2008-09)	111,126	---
Provision for F.B.T (A.Y. 2006-07)	---	48,062
Provision for F.B.T (A.Y. 2007-08)	6,179	26,601
Provision for F.B.T (A.Y. 2008-09)	26,838	---
	<u>38,955,026</u>	<u>12,785,207</u>

**SCHEDULE 9 : MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Opening Balance	---	32,612
Less: Written off during the year	---	32,612
	<u>---</u>	<u>---</u>

**SCHEDULE 10 : ADMINISTRATIVE & OTHER EXPENSES**

Stamp Duty Charges	32,241	22,045
Salary	2,505,600	1,988,600
Staff Welfare	236,498	230,270
Bank Charges	31,050	4,899
Conveyance	75,705	169,550
Printing & Stationery	286,145	162,125
Postage & Telegram	65,184	65,075
Legal & Professional Charges	1,500	17,067
Listing Fees	10,000	10,000
Audit Fees	5,500	5,500
Telephone Expenses	128,918	96,313
Filing Fees (R.O.C)	7,500	500
Travelling Exp.	760,650	517,095
Advertisement	12,970	5,592
Rent	108,000	108,000
Books & Periodicals	33,745	---
Demat Charges	2,272	2,486
Electricity, Repair & Maintainance	171,895	---
Office Repair & Maintainance	291,530	---
Computer Repair Account	60,830	---
Membership Fees	---	7,150
	<u>4,827,733</u>	<u>3,412,267</u>

**For M. M. GOYAL & CO.**

Chartered Accountants

sd/-

**M. M. GOYAL**

Partner

M. No. 86085

For and on behalf of the Board

sd/-

**Director**

sd/-

**Director**

Place : Delhi

Dated : 02.09.2008

**PAWANSUT HOLDINGS LIMITED**

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

**SCHEDULE - 4, INVENTORIES**

**SHARES & SECURITIES**

<u>QUOTED</u>	<u>FACE</u> <u>VALUE Rs.</u>	<u>PAIDUP</u> <u>VALUE Rs.</u>	<u>AS AT</u> <u>31.03.2008</u>		<u>AS AT</u> <u>31.03.2007</u>	
			<u>No. of</u> <u>Shares</u>	<u>Amount</u> <u>Rs.</u>	<u>No. of</u> <u>Shares</u>	<u>Amount</u> <u>Rs.</u>
GE Shipping Ltd.	10	10	40	10,352	40	10,352
Global Tele Ltd.	10	10	---	---	7500	1,049,625
Greatoff Ltd.	10	10	---	---	10	7,270
Hitech Gears Ltd.	10	10	500	82,500	500	82,500
KRBL	10	10	---	---	100	17,230
Lanco Infratech Ltd.	10	10	---	---	7650	1,846,710
Mascon Global Ltd.	10	10	---	---	1000	11,940
Moreffen Lab Ltd.	10	10	---	---	2200	14,916
Sonata Soft Ltd.	10	10	---	---	500	17,425
SRF Ltd.	10	10	---	---	9000	2,543,400
Walchand Ind. Ltd.	10	10	---	---	10	6,910
Lok Housing Ltd.	10	10	---	---	750	187,838
Bongaigaonr Ltd.	10	10	1000	708,440	---	---
Burn Pur Ltd.	10	10	1000	69,510	---	---
Centurion Bank of Punjab Ltd.	10	10	2000	135,900	---	---
Dish TV India Ltd.	10	10	4950	245,124	---	---
ICRA Ltd.	10	10	300	218,286	---	---
Sujana Ltd.	10	10	2000	82,780	---	---
Tanej Aeroa Ltd.	10	10	1000	176,000	---	---
VIP India Ltd.	10	10	3408	406,165	---	---
			<u>16198</u>	<u>2,135,057</u>	<u>29260</u>	<u>5,796,116</u>

**M/s PAWANSUT HOLDINGS LTD.**

Part of form 3CD.

**ASSESSMENT YEAR 2008-2009**

Annexure - A

**STATEMENT OF DEPRECIATION ALLOWABLE AS PER INCOME TAX ACT -1961**

S.NO.	PARTICULARS	W.D.V. AS ON 01.04.2007	ADDITION DURING THE YEAR	SOLD DURING THE YEAR	TOTAL AS ON 31.03.2008	DEPRECIATION AMOUNT (Rs.)	RATE %	W.D.V AS ON 01.04.2008
1	Computer	17,171	---	---	17,171	10,303	60%	6,868
	Total Rs.	17,171	---	---	17,171	10,303	--	6,868

**PAWANSUT HOLDINGS LIMITED, DELHI****SCHEDULE 11 :-**

Disclosure of details required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

<b>PARTICULARS</b>	<b>Amount outstanding Rupees</b>	<b>Amount overdue Rupees</b>
<b>Liabilities Side:</b>		
(1) Loans and advances availed by the NBFC inclusive of Interest accrued thereon but not paid:		
(a) Debentures: Secured	NIL	NIL
Unsecured (Other than falling within the meaning of public deposits*)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial paper	NIL	NIL
(f) Public Deposits'	NIL	NIL
(g) Other Loans	NIL	NIL
(2) Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :	NIL	NIL
<b>Assets Side:</b>		
		Amount
<b>Outstanding</b>		
(3) Break-up of Loans and Advances [other than those includes in (4) below] :		
(a) Secured		---
(b) Unsecured		61,959,358
(4) Break-up of leased Assets and stock on hire and hypothecation Loans counting towards EL/HP activities		NIL
(5) Break-up of Investments:		
Current Investments:		2,135,057
Long Term investments:		NIL
1. Quoted		
2. Unquoted:		
i) Shares:		NIL
(a) Equity		

(6) Borrower group-wise classification of loans and advances:

Category provisions		Amount		
		Secured	Unsecured	Total
1.	Related parties	---	---	---
2.	Other than related parties	---	61,959,358	61,959,358

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category Book value (net Of provisions)		Market value /Break-up Or fair value or NAV
1.	Related Parties**	
	(a) Subsidiaries	NIL
	(b) Companies in the same group.	
	(c) Other related parties	
2.	Other than related parties	2,135,057
	<b>Total</b>	<b>2,135,057</b>

(8) Other Information

Particulars		Amount
i)	Gross Non-performing assets	
	(a) Related parties	NIL
	(b) Other than related parties	
ii)	Net Non-performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	
iii)	Assets acquired in satisfaction of debt	NIL

**SCHEDULE 12 :**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**i) BASIS OF ACCOUNTING**

The financial statements have been prepared on the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies act, 1956 and the applicable accounting standards issued by the Institute of Chartered Accountants of India.

**ii) INCOME & EXPENSES**

The company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

iii) **DEPRECIATION**

Depreciation is provided on fixed assets on straight-line method at the rates specified in schedule XIV of the Companies Act, 1956.

iv) **FIXED ASSETS**

Fixed assets are stated at cost less depreciation.

v) **INVESTMENTS**

The investments are stated at cost. Provision for diminution in value of investments is made by the company to recognise permanent decline if any in the value of each investment.

vi) **TAXES ON INCOME**

Current tax is the amount of tax on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961. Deferred tax liability/assets is recognised subject to the consideration of prudence on timing deference, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

vii) **CONTINGENT LIABILITIES**

Disputed liabilities and claims are treated, as contingent liabilities. Claims against the company not acknowledged as debts Rs. Nil (P.Y. Nil)

viii) **RETIREMENT BENEFITS**

The provision of provident fund and gratuity are not applicable to the company leave encashment is provided on the basis of leave entitlement of employees remaining unutilized at the end of the year.

2. Earning per share is calculated by dividing the profit attributed to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

	<b><u>Current year</u></b> <b>Amount (Rs.)</b>	<b><u>Previous year</u></b> <b>Amount (Rs.)</b>
Profit after tax (In Rupees)	43,081	31,911
Weighted average number of shares outstanding during the year	29,99,000	29,99,000
Basic Earning per Share	0.01	0.01
Diluted Earning per share	0.01	0.01
Nominal Value per Share	10.00	10.00

3. The company has recognised deferred tax Assets of Rs. 8,845/- for the year ended 31<sup>st</sup> March 2008. The Components of deferred tax liability is as under: -

	<u>Current Year</u> <u>Amount (Rs.)</u>	<u>Previous Year</u> <u>Amount (Rs.)</u>
(a) Opening deferred tax liability	24,433	28,643
(b) Deferred tax assets (Timing difference between book and tax depreciation)	8,845	4,210
Net deferred tax liability	<u>15,588</u>	<u>24,433</u>

4. Disclosure of details pertaining to related party transactions in terms of accounting standard 18 - Related party disclosures issued by the Institute of Chartered Accountants of India.

(I) List of Related Parties :

- (a) Key Managerial Personnel
- (i) Laxman Singh Satyapal, Director
  - (ii) Pradeep Kumar Jindal, Director
  - (iii) Meera Mishra, Director

There were no transactions with the related parties during the year.

Note: Related party relationship is as identified by the company and relied upon by the auditors.

5. The company's sole business segment is loan and investment and the geographical segment is India. Consequently the need for separate disclosure as required under Accounting standard 17 segment reporting is not considered relevant.

6. Amount paid/payable to auditors :

	<u>Current Year</u> <u>Amount (Rs.)</u>	<u>Previous Year</u> <u>Amount (Rs.)</u>
As Audit Fee	4,000/-	4,000/-
Tax Audit Fee	<u>1,500/-</u>	<u>1,500/-</u>
	<u>5,500/-</u>	<u>5,500/-</u>

7. **ADDITIONAL INFORMATION**

Quantitative Details

<b>Name of Items</b>	<b>Opening Stock</b>		<b>Purchases</b>		<b>Sales</b>		<b>Closing Stock</b>	
	Qty.	Amount. Rupees	Qty.	Amount Rupees	Qty.	Amount Rupees	Qty.	Amount Rupees
Shares & Securities	29260	5,796,116	15658	2,042,205	28720	5,703,264	16198	2,135,057

8. There are no dues due to small scale Industrial undertaking which are required to be disclosed as per schedule VI to the Companies Act, 1956.

9. Pursuant to provisions of section 205C of the Companies Act, 1956 during the year, the Company is not required to transfer any amount due for transfer to Investors Education Protection fund.

10. Additional information as required under part IV of schedule VI of companies Act, 1956 enclosed.

11. Previous figures have been regrouped and reclassified whenever necessary.

**10. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(As per Schedule (VI), part (IV) of the Companies Act 1956)

1. **Registration No.** **019506** State Code 55  
Balance Sheet date 31.03.2008

**2. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)**

Public Issue Nil Right Issue Nil  
Bonus Issue Nil Private Placement Nil

**3. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS**

(Amount Rs. In Thousand)

Total Liabilities 30582 Total Assets 30582

**SOURCES OF FUNDS**

Paid up Capital 29990 Reserves & Surplus 576  
Secured Loans Nil Unsecured Loans Nil  
Deferred Tax Liability 16

**APPLICATION OF FUNDS**

Net Fixed Assets 49 Investment NIL  
Net Current Assets 30533 Misc. Expenditure NIL  
Accumulated Losses Nil

**4. PERFORMANCE OF THE COMPANY**

(Amount in Rs. Thousands)

Total Income 55456 Total Expenditure 55254  
Profit/Loss Profit/Loss  
Before Tax 202 After Tax 43  
Earning per share in Rs. 0.01 Dividend Rate % Nil

**5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY**

(As per monetary terms)

Item Code No. (ITC Code) N. A.  
Product Description:

11. Previous year figures have been regrouped/rearranged and rounded off to nearest rupees wherever considered necessary.

For **M. M. GOYAL & CO.**

Chartered Accountants

Sd/-  
**M. M. GOYAL**  
Partner  
M. No. 86085

sd/- sd/-  
**Director Director**

Place : Delhi  
Dated: 02.09.2008