

REGAL ENTERTAINMENT AND CONSULTANTS LTD.

BOARD OF DIRECTORS

Shri Dinesh Gupta	Managing Director
Shri Satish Kusumbiwal	Jt. Managing Director
Shri Dhiraj Mehta	
Shri Surendra Salgia	
Shri Brijesh Mathur	
Shri K. B. Agarwal	

REGISTERED OFFICE

24, Gunbow Street  
Fort, Mumbai - 400 001

BANKERS

Central Bank of India  
Canara Bank

AUDITORS

K. K. Gada & Co.  
Chartered Accountants  
Mumbai.

STOCK EXCHANGE

Mumbai, Madras

ANNUAL GENERAL MEETING

Date : Thursday, 29<sup>th</sup> September 2005  
Time : 2.30 p.m.  
Venue : Jurassic Park Resort & Club  
Kharodi Ali Talao Road  
Malad (W)  
Mumbai - 400 095.

REGISTRARS AND SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.  
E-2, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E),  
Mumbai - 400 072.

DEPARTMENT OF COMPANY AFFAIRS  
ROC CASH COUNTER RECEIPT  
OFFICE OF THE REGISTRAR OF COMPANIES

ROC (MAHARASHTRA, MUMBAI) IR/10/2005(SIVADASAN)  
REC. NO.: 1127452 REG. NO.: 11-034689  
REGUL ENTERTAINMENT AND CONSULTANTS LTD-  
ITD FC/ND

TYPE OF DOCUMENT	MODE OF PAYMENT	DATE OF DOCUMENT	AMOUNT RS.
REG. FEE	CASH	31/03/2005	500

TOTAL 500  
N: NORMAL FEE A: ADDITIONAL FEE  
COMPUTER SUPPORT BY INDUSTRY DIVISION N.I.C

## NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the members of REGAL ENTERTAINMENT AND CONSULTANTS LIMITED will be held on Thursday, 29<sup>th</sup> September 2005 at 2.30 p.m. at Jurassic Park Resort & Club, Kharodi Ali Talao Road, Malad (W), Mumbai – 400 095, to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at and the Profit & Loss Account for the year ended 31<sup>st</sup> March 2005 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Brijesh Mathur who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri K. B. Agarwal who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting & to fix their remuneration.
5. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.

“RESOLVED AS SPECIAL RESOLUTION THAT pursuant to section 16, 31 and 94 and other applicable provision of the Companies Act, 1956 the Authorized Share Capital of the Company be increased from Rs. 3,50,00,000/- ( Rs. Three Crore Fifty Lacs ) divided in to 35,00,000 (Thirty Five Lacs ) equity shares of Rs. 10/- each to Rs. 5,00,00,000/- ( Rs. Five Crore ) divided into 50,00,000 ( Fifty Lacs ) equity shares of Rs. 10/- each by creation of 15,00,000 equity shares of Rs. 10/- each ranking *pari passu* in all respect with existing equity shares.”

RESOLVED FURTHER THAT the present clause V of the Memorandum of Association be substituted with the new clause V as follows :

The authorized share capital of the Company is Rs. 5,00,00,000/- ( Rs. Five Crores ) divided into 50,00,000 ( Fifty Lacs ) equity shares of Rs. 10/- ( Rs. Ten Only ) each with the power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes attached thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges, or conditions in such manner as may be permitted by the Articles of Association of the Company for the time being.

RESOLVED FURTHER THAT the Article 4 of Articles of Association of the Company be deleted and substituted by following article 4 thereof :

4. The Authorized share capital of the Company is Rs. 5,00,00,000/- ( Rs. Five Crores ) divided into 50,00,000 ( Fifty Lacs ) equity shares of Rs. 10/- ( Rs. Ten Only )”
6. To consider & if thought fit, to pass with or without modification the following resolution as a Special Resolution.

“RESOLVED AS SPECIAL RESOLUTION THAT in accordance with the provisions of Section 81, 81(1A) and other applicable provision of the Companies Act 1956 and the provisions of the Memorandum and Articles of Association of the company and the Listing Agreements entered into by the company with the Stock Exchanges where the company's shares are listed and subject to such other statutory and other approvals, consents, permissions and sanctions from the appropriate concerned authorities, as may be necessary, and further subject to such terms, condition and modification as may be prescribed or imposed by any of them while granting such approvals,

consents, permissions and sanctions which may be agreed to by the Board of Directors of the company, ( hereinafter referred to as "the Board" which terms shall include any committee which the Board may constitute to exercise the powers of the Board including the powers conferred by this resolution ), the consent, authority and approval of the company be and is hereby accorded to the Board to offer, issue and allot not exceeding 19,27,900 Equity Share of the face value of Rs. 10/- each by way of equity shares and / or securities converted into equity ie partly / fully convertible debentures / warrants etc, at a price to be determined in accordance to the Guidelines of Securities and Exchange Board of India on preferential issue at a time or from time to time in one or more lots to the members, Indian public, promoters or promoters group ( which expression shall mean and include the promoters in the present management / control of the company, the company directors and their friends, relatives, business associate companies hereinafter referred to as " Promoter Group " ), employees of the company, Non Resident Indians (NRI's), Overseas corporate Bodies (OCB's), Foreign Institutional Investors (FII's), Indian Companies, Incorporated Bodies, Individual and other entities including Financial Institutions and mutual funds and to such other categories of investors or any combination thereof, whether members of the company or not by way of one or more offerings on preferential allotment basis, on such terms and conditions and in one or more tranches as may be decided or deemed fit by the board in its absolute and sole discretion. "

" RESOLVED FURTHER THAT such of these shares to be issued as are not subscribed may be disposed off by the Board in its absolute discretion in such manner and / or such terms as it may deem fit, including offering or placing them with banks / financial institutions / Investment Institutions / Mutual Funds / Bodies Corporate / such other persons or otherwise as the Board may in the its absolute sole discretion deem fit and proper."

" RESOLVED FURTHER THAT for purpose of giving effect to the above Resolutions which include the allocation, offer, issue or allotment of Equity Shares, the board be & is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writing as it may, in its absolute direction, deem necessary, expedient or desirable and to settle any question, difficulty or doubt that may arise in regard to the allocation, offer, issue or allotment of the equity shares and the utilization of the issue proceeds as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the members or otherwise."

7. To consider and, if thought fit, to pass, with or without modification (s), the following resolution as a Ordinary Resolution :

" RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 ( including any statutory modification or re-enactment thereof for the time being in force ) read with Schedule XIII thereto, approval of the Company be and is hereby accorded for the reappointment of Mr. Dinesh Gupta as Managing Director of the Company for a period of Five (5) years with effect from 31<sup>st</sup> October 2005 on terms as to remuneration as may be decided by the Board from time to time within the limit as, set out below "

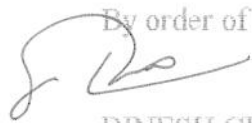
Salary : upto Rs. 15,000 pm.  
Car Allowance : upto Rs. 6,000 pm.

8. To consider and, if thought fit, to pass, with or without modification (s), the following resolution as a ordinary Resolution :

" RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 ( including any statutory modification or re-enactment thereof for the time being in force ) read with Schedule XIII thereto, approval of the

Company be and is hereby accorded for the reappointment of Mr. Satish Kusumbiwal as Jt. Managing Director of the Company for a period of Five (5) years with effect from 31<sup>st</sup> October 2005 on terms as to remuneration as may be decided by the Board from time to time within the limit as set out below”.

Salary : upto Rs. 15,000 pm.  
Car Allowance : upto Rs. 6,000 pm.

By order of the Board  
  
DINESH GUPTA  
Managing Director

Place: Mumbai  
Date: 26<sup>th</sup> August 2005

Registered Office  
24, Gunbow Street,  
Fort, Mumbai – 400 001.

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The relevant Explanatory statement pursuant to section 173(2) of the Companies Act 1956 in respect of item no. 5, 6, 7, & 8 is annexed hereto.
3. The relevant details of Directors seeking reappointment under item no. 2 & 3 as required under clause 49 of the listing agreement is annexed.
4. The relevant details of Managing Director & Jt. Managing Director seeking reappointment under item no. 7 & 8 are annexed.
5. The Register of Members and the Share Transfer book of the Company will remain closed from, Friday 23<sup>rd</sup> September, 2005 to Wednesday 28<sup>th</sup> September, 2005 (both days inclusive).
6. Members are requested to kindly notify any change in their addresses immediately to the Company's Registered Office and to Registrar and Share Transfer Agent. Members whose Shareholding is in electronic mode are requested to direct change of address notification to their respective Depository participant.
7. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least ten days in advance, so as to enable the Company to keep the information ready
8. Members are requested to kindly bring their copies of the Report and Accounts to the meeting.

By order of the Board  
  
DINESH GUPTA  
Managing Director

Place: Mumbai  
Date: 26<sup>th</sup> August 2005

Registered Office  
24, Gunbow Street,  
Fort, Mumbai – 400 001.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

The company's existing Ice Skating Rink at Esselworld is running satisfactorily. Company is planning to set up similar Ice Skating Rink in Mumbai & Ahmedabad. In this direction Company has entered into a MOU ( Memorandum of Understanding ) with E-City Entertainment ( India ) Pvt. Ltd. ( FUN REPUBLIC), part of Essel Group of Industries for setting up an ' Ice Skating Rink ' at Fun Republic, Ahmedabad on revenue sharing cum BOT ( Built, operate & transfer ) basis. E-City Entertainment ( India) Pvt Ltd. operates the Family Entertainment Centers (FEC) across India known as FUN REPUBLIC. It offers a wide variety of leisure & entertainment options under one roof like cinema, food court, music store, shopping, game, discotheque, books etc.

More over, in order to broad base its activities further in the Entertainment segment, Company is entering into production of Music Albums. The company has finalized the lead singer and is negotiating with music companies for marketing, selling and distributing the same. The company is also exploring the possibilities of entering into production / distribution of feature films / T.V. Serials.

The company will need additional funds to execute these plans, hence the authorized capital is proposed to be increased enabling the company to raise funds as and when required. Your directors recommend the resolution as set out in the item 5 of the notice.

None of the Directors, is deemed to be concerned or interested in the said resolution.

ITEM NO. 6

To execute the plans set out above in item 5 company will need additional funds. The resolution is proposed to enable the board to raise the funds as & when required.

Your director recommend the resolution as set out in the item no.6 of the notice.

None of the Director is deemed to be concerned or interested in the resolution except to the extent of allotment, which may be made to them in terms of this resolution.

ITEM NO. 7 & 8

The Board at its meeting held on July 29, 2005 decided to re-appointment Mr. Dinesh Gupta as Managing Director and Mr. Satish Kusumbiwal as Jt. Managing Director, respectively for a period of five years w.e.f. 31<sup>st</sup> October 2005 on terms as to remuneration set out under items 7 & 8 of the notice. Mr. Dinesh Gupta and Mr. Satish Kusumbiwal are the Promoter Directors of the Company and they are conducting day to day management of the company subject to the supervision, direction & control of the board. The Board feels that the appointment of Mr. Dinesh Gupta and Mr. Satish Kusumbiwal as Managing Director and Joint Managing Director respectively is in the best interest of the Company.

Mr. Dinesh Gupta and Mr. Satish Kusumbiwal may be deemed to be concerned or interested in the resolution. None of the other directors is concerned or interested in the resolution.

The resolution is proposed to be passed pursuant to Sections 198, 269, 309, 311,314 and other applicable provisions of the Companies Act, 1956 including Schedule XIII to the said Act.

Your Director recommend this resolutions to be passed as Ordinary Resolutions.

## ANNEXURE

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED.

1. Mr. Brijesh Mathur aged around 44 year was first appointed as an additional director on 31<sup>st</sup> October 2002. Mr. Mathur is a commerce graduate & is a Fellow Member of the Institute of Chartered Accountant of India. Mr. Mathur is a practicing Chartered Accounts having rich experience in corporate taxation, audit etc.

Other directorship

Nil

Committee Membership

Regal Entertainment & Consultants Ltd.  
Audit Committee

2. Mr. K. B. Agarwal aged around 40 years was first appointed as an additional director on 24<sup>th</sup> March 2003. Mr. Agarwal is a commerce graduate & is a member of the Institute of Chartered Accountants of India. Mr. Agarwal is an industrialist.

Other directorship

Palco Metals Ltd.  
Thakkar Financial Services P. Ltd.

Committee Membership

Regal Entertainment & Consultants Ltd.  
Audit Committee

FOLLOWING INFORMATION IS FURNISHED ABOUT THE MANAGING DIRECTOR AND JT. MANAGING DIRECTOR PROPOSED TO BE REAPPOINTED.

1. Mr. Dinesh Gupta aged around 44 years was first appointed on the Board on September 05, 1994 as an additional director. He was first appointed Managing Director on 31<sup>st</sup> October 1994. Mr. Gupta, holds a Bachelor's degree in commerce and is a Fellow Member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He has around 20 years diverse experience in the field of financial management, Merchant Banking, corporate consultancy etc Presently he is Managing Director of the Company.

Other directorship

Data Office Products Pvt. Ltd  
Ameya Finvest Pvt. Ltd.  
Harshutsav Finance & Investment P. Ltd.  
Dhakla Marketing Pvt. Ltd.

Committee Membership

Regal Entertainment & Consultants Ltd.  
Shareholder's Committee

2. Mr. Satish Kusumbiwal aged around 43 years was first appointed on the Board on September 05, 1994 as an additional director. He was first appointed as Jt. Managing Director on 31<sup>st</sup> October 1994. Mr. Kusumbiwal holds a Bachelor's degree in commerce and is a Fellow Member of the Institute of Chartered Accountants of India. He has around 20 years varied experience in Project Evaluation, Money market operation, Merchant Banking etc. Presently he is Jt. Managing Director of the Company.

Other directorship


Anurag Finvest Pvt. Ltd  
Abhinikh Capital Finvest Pvt. Ltd.  
Vedika Finance P. Ltd.  
Abhinikh Trading Pvt. Ltd.

Committee Membership

Regal Entertainment & Consultants Ltd.  
Shareholder's Committee

Place: Mumbai  
Date: 26<sup>th</sup> August 2005

Registered Office  
24, Gunbow Street,  
Fort, Mumbai - 400 001.

 By order of the Board  
DINESH GUPTA  
Managing Director

## DIRECTORS' REPORT

Your Directors presents their Thirteenth Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March 2005.

### FINANCIAL RESULTS:

	For the year ended March 31, 2005 (Rs. in Lakh)	For the year ended March 31, 2004 (Rs. in Lakh)
Income	176.62	182.99
Profit before tax	(20.67)	2.83
Less: Provision for taxation	---	0.36
Profit after tax	(20.67)	2.47
Add: Profit brought forward from last year	4.08	2.64
	<u>(16.59)</u>	<u>5.11</u>
Provision for Deferred Tax liability	1.00	1.03
Profit available for Appropriation	<u>(17.59)</u>	<u>4.08</u>
APPROPRIATIONS:		
Balance Carried Forward	(17.59)	4.08
	<u>(17.59)</u>	<u>4.08</u>

### DIVIDEND:

In view of the loss, your Directors do not recommend any Dividend.

### OPERATIONS :

The total income decreased to Rs. 176.62 lacs from Rs. 182.99 lacs and the Company incurred a loss from operations of Rs. 20.67 lacs as against a profit of Rs. 2.47 lacs in last year. The performance of the company in the entertainment sector was satisfactory, however the company incurred loss in the financial activities.



#### DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors Responsibility Statement, it is hereby confirmed:

- i That in the presentation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2005, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- ii That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for the year under review;
- iii That the directors had taken proper and sufficient care for the maintenance of the 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 That the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2005 on going concern basis

#### REPORT ON CORPORATE GOVERNANCE :

Pursuant to clause 49 of the Listing Agreement with Stock Exchange, a separate Section titled Corporate Governance has been included in this report. The auditors certificate on compliance of clause 49 of the listing Agreement by the Company is annexed to this report.

#### MANAGEMENT DISCUSSION AND ANALYSIS

A brief note on management discussion and analysis is annexed which forms part of the Directors Report.

#### FIXED DEPOSITS:

The Company has neither invited nor accepted any fixed deposits from the public.

#### LISTING:

The equity shares of the company are listed on the Stock Exchange, Mumbai and Madras and listing fee for the financial year 2005-2006 have been paid to the concerned Stock Exchanges. The approval of the Delhi Stock Exchange for voluntary delisting is still awaited, meanwhile company has not made payment of listing fee to Delhi Stock Exchange.

#### DIRECTORS:

Shri Brijesh Mathur & Shri K. B. Agarwal retire by rotation and are eligible for reappointment which the directors recommend.

The Directors recommend the reappointment of Mr. Dinesh Gupta & Mr. Satish Kusumbiwai as Managing Director & Jt. Managing Director respectively with effect from 31<sup>st</sup> October 2005 for a period of five years.

#### AUDITORS:

M/s K. K. Gada & Co. Chartered Accountants, Mumbai Auditors of the company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment, and have certified that their appointment, if made, will be in accordance with the limits specified in Section 224(1-B) of the Companies Act, 1956.

#### EMPLOYEES:

None of the employee of the company is falling under the Category specified in section 217 (2A) of the companies Act 1956.


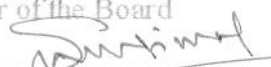
#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

The provision of Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure in the Report of Board of Directors ) Rules 1988 are not applicable to your Company, since your company is not a scheduled industries as per said rules. However, at ice skating rink adequate measures are being taken to conserve energy as far as possible.

Your Company neither earned nor spent any foreign exchange during the year.

#### ACKNOWLEDGEMENT

The Board wishes to express its deep appreciation to all the staff members, Bankers, Shareholders, Clients and Pan India Paryatan Ltd ( Esselworld ) for their valuable support to the Company.

 By order of the Board  
  
DINESH GUPTA      SATISH KUSUMBIWAL  
Managing Director      Jt. Managing Director

Place: Mumbai

Date : 26<sup>th</sup> August, 2005.

## Management Discussion and Analysis

### 1. Industry structure and development

The Indian economy grew by 6.9% during the year ended 31<sup>st</sup> March 2005 compared to 8.5% in the previous year.

Due to various factors like increase in disposable income, changing life style, nuclear family, changing demographic profile etc the future & long term prospect of the entertainment industry appears to be good.

### 2. Outlook

The company's existing Ice Skating Rink at Esselworld is running satisfactorily. Company is planning to set up similar Ice Skating Rink in Mumbai & Ahmedabad. In this direction Company has entered into a MOU ( Memorandum of Understanding ) with E-City Entertainment ( India ) Pvt. Ltd. ( FUN REPUBLIC), part of Essel Group of Industries for setting up an ' Ice Skating Rink ' at Fun Republic, Ahmedabad on revenue sharing cum BOT ( Built, operate & transfer ) basis. E-City Entertainment ( India) Pvt Ltd. operates the Family Entertainment Centers (FEC) across India known as FUN REPUBLIC. It offers a wide variety of leisure & entertainment options under one roof like cinema, food court, music store, shopping, game, discotheque, books etc.

More over, in order to broad base its activities further in the Entertainment segment, Company is entering into production of Music Albums. The company has finalized the lead singer and is negotiating with music companies for marketing, selling and distributing the same. The company is also exploring the possibilities of entering into production / distribution of feature films / T. V. Serials.

#### Opportunities and Threats

As stated earlier due to various factors scope of entertainment industry is growing rapidly.

Ice Skating Rink is gaining popularity in various parts of the country & even abroad. Though this may result in emergence of many opportunities, these will have to be carefully evaluated in the long term interests of the company and its Shareholders.

### 4. Segment wise Reporting

During the year under review company had two segments viz Finance and Entertainment.

The income and profit in each segment was as under :

	<u>Finance</u>	<u>Entertainment</u>	<u>Unallocable</u>	<u>Total</u>
Income	139.67	36.95	---	176.62
Profit before tax	(23.28)	4.80	(2.19)	(20.67)

### 5. Risk & Concerns

Your company is in continuous process of cost control and is taking cost reduction measures.

6. Internal Control System

The company maintains an adequate and effective internal control system commensurate with its size & nature of business. The observations of the audit committee, which met four times during the year were taken into consideration.

7. Financial Performance

The total income during the year decreased to Rs. 176.62 lacs from Rs. 182.99 lacs and the company incurred a loss of Rs. 20.67 lacs as against profit of Rs. 2.47 lacs in the last year.

8. Human resources management

Relations with the employees continued to remain cordial during the year. Training is imparted as per the requirement of the job.

9. Cautionary statement

Statements in the Management Discussion and Analysis and Statement forming part of Directors' Report may contain forward looking & progressive statements within the meaning of applicable security laws & regulations. Actual results may vary from those expressed or implied depending upon economic condition, Government policies & other incidental factors.

By order of the Board



DINESH GUPTA  
Managing Director



SATISH KUSUMBIWAL  
Jt. Managing Director

Place: Mumbai

Date : 26<sup>th</sup> August, 2005.

## Corporate Governance

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Regal Entertainment and Consultants Ltd. ( Regal or The company ) is committed to strong corporate governance and realizes its importance in investor protection. Hence, the Company's philosophy on corporate governance is to ensure that information disclosure to present and potential investor is maximized, to ensure that board exercises its fiduciary responsibilities and to ensure that the directors, employees and all concerned are fully committed to maximizing long term value to their Shareholders and the company.

### 2. BOARD OF DIRECTORS

As on March 31, 2005 Regal had 6 Directors on its Board, of which four are non – executive directors. The directors are qualified professionals having experience in respective functional area. The board mainly deals with policy formulation, evaluation of performance & control functions.

The board met five times during the year on 30<sup>th</sup> April 2004, 31<sup>st</sup> July 2004, 30<sup>th</sup> October 2004, 1<sup>st</sup> December 2004 and 29<sup>th</sup> January 2005.

The composition of board, their attendance, no of other directorship are given below :-

Name of Director	Position	Attendance Particular		No of Directorship & committee Membership / chairmanship		
		Board Meeting	Last AGM	Other Director-ship	Committee Membership	Committee Chairmanship
Dinesh Gupta	P, E	5	Present	4	1	--
Satish Kusumbiwal	P, E	5	Present	4	1	--
Dhiraj Mehta	N, I	4	Present	3	1	1
Surendra Salgia	N, I	5	Present	1	1	1
Brijesh Mathur	N, I	4	Present	--	1	--
K.B. Agarwal	N, I	5	Present	2	1	--

P= Promoter      E= Executive      N= Non Executive      I= Independent

### 3. AUDIT COMMITTEE

The role of the Audit committee and its terms of reference and composition are in accordance with provisions of clause 49 of the listing agreement. The role of audit committee includes overseeing the financial reporting process, to ensure proper disclosure of financial statements & reviewing it, discussion with auditors etc.

The audit committee of the member of the board comprises of 3 non executive directors, of which Shri Surendra Salgia is the Chairman of the committee and Shri K.B. Agarwal and Shri Brijesh Mathur are independent directors.

The duly constituted committee met four times on the following date where all the members of the committee were present, 31<sup>st</sup> July 2004, 27<sup>th</sup> August 2004, 30<sup>th</sup> October 2004 and 29<sup>th</sup> January 2005.

### 4. REMUNERATION TO DIRECTORS

The remuneration of the directors is as per the ceiling approved by the Shareholders. Details of remuneration paid to Managing Director and Jt. Managing Director during the year ending March 31, 2005 is as under.

Name	Designation	Remuneration ( Rs. )		
		Salary	Allowance	Total
Dinesh Gupta	Managing Director	84,000	72,000	1,56,000
Satish Kusumbiwal	Jt. Managing Director	84,000	72,000	1,56,000

No remuneration was paid to non executive directors.

### 5. SHAREHOLDER'S COMMITTEE

The committee comprises of Shri Dhiraj Mehta who is non executive, independent director and Chairman of the committee and Shri Dinesh Gupta & Shri Satish Kusumbiwal who are Directors and the compliance officers.

The functions of the Shareholders committee mainly includes transfer of shares, redressed of shareholders grievances etc.

The duly constituted committee met four times on the following date where all the member of the committee were present :- 30<sup>th</sup> April 2004, 31<sup>st</sup> July 2004, 30<sup>th</sup> October 2004 and 29<sup>th</sup> January 2005.

There were no complaints received from the shareholders during the year. As on March 31, 2005, there were no pending share transfers.

## 6. GENERAL BODY MEETINGS :

The details of Annual General Meetings held in the last three years are given below :

<u>Annual General Meeting / Year</u>	<u>Day, Date</u>	<u>Time</u>	<u>Venue</u>
12 <sup>th</sup> Meeting, 2004	Wednesday, September 29, 2004	3.00 pm	Jurassic Park Resort & Club Kharodi Ali Talao Road, Malad (W) Mumbai – 400095.
11 <sup>th</sup> Meeting, 2003	Monday, September 29, 2003	11.30 am	Jurassic Park Resort & Club Kharodi Ali Talao Road, Malad (W) Mumbai – 400095.
10 <sup>th</sup> Meeting, 2002	Saturday, September 28, 2002	11.00 am	Bageech Complex, Marve Road Malad (W) Mumbai – 400095.

No Special resolutions were put through postal ballot till last year.

## 7. DISCLOSURES

- a. There were no transactions of a material nature with the promoters, directors or the management, the company's subsidiaries or relatives of the directors during the financial year of the company which could have potential conflict with the interest of the company. Transaction with related parties are disclosed in point No 9 of the notes to Accounts, as detailed under schedule 9 of the Annual Accounts.
- b. The company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to Capital Market during the last three years. No penalties or strictures have been imposed on the company by the Stock Exchanges, SEBI or statutory authorities relating to the above.

## 8. MEANS OF COMMUNICATION :

Company's financial results like quarterly, half yearly are published regularly as per the requirement of listing agreement generally in Free Press Journal and Navshakti. The company currently does not have a website. Official news release are sent to Stock Exchange where shares are listed.

Management Discussion & Analysis is forming part of Directors Report.

## 9. GENERAL SHAREHOLDER INFORMATION :

- a. Annual General Meeting : September 29, 2005 at 2.30pm at Jurassic Park Resort & Club, Kharodi Ali Talao Road, Malad (W), Mumbai - 400095
- b. Financial calendar : The company follows April – March as its financial year. The unaudited result for every quarter beginning from April are declared in the month following that quarter

- c. Date of Book closure : 23<sup>rd</sup> September 2005 to 28<sup>th</sup> September 2005 ( both days inclusive)
- d. Listing on Stock Exchange : The Stock Exchange, Mumbai  
The Stock Exchange, Madras
- e. Listing fee : Paid for the year 2005 - 2006  
The approval of the Delhi Stock Exchange for voluntary delisting is still awaited, meanwhile company has not made payment of listing fee to Delhi Stock Exchange.
- f. Stock code : 531033 Stock Exchange Mumbai
- g. Demat ISIN no : INE101E010101
- h. Market Price Data ( High/Low ) during each month in last financial year is given below.  
( Stock Exchange, Mumbai )

Months	High	Low	Month	High	Low
April 2004	6.10	2.50	October 2004	5.40	2.98
May 2004	6.92	2.92	November 2004	5.05	2.60
June 2004	5.57	3.37	December 2004	4.99	2.67
July 2004	4.89	3.00	January 2005	5.30	3.32
August 2004	5.05	2.68	February 2005	4.48	3.39
September 2004	5.35	3.00	March 2005	3.81	2.80

- i. Registrar and Transfer Agents and Share Transfer System.

Share sent for physical transfer are registered and returned within 20 days of receipt, if the documents are clear in all respects.

There was no share transfer pending as on March 31, 2005. For carrying out physical Share Transfer / demat / remat work including demat connectivity with NSDL & CDSL, Company has appointed Bigshare Services Pvt. Ltd., E-2, Ansa Industrial estate, Sakivihar Road, Saki Naka, Andheri (E) Mumbai - 400072, as its transfer agents.

- j. Shareholding pattern as on March 31, 2005

Category	No of Sahres	Percentage of Total Share
Promoters	287120	9.35
Persons acting in concert	1027265	33.43
Private corporate Bodies	258520	8.42
Indian Public	1481695	48.23
Non - resident Indians	17500	0.57



k. Distribution of Shareholding as on March 31, 2005.

Number of shares	No of shareholder	Percent of Shareholder	Total Number of Shares	Percent Holding
1-500	1660	73.88	398792	12.98
501-1000	304	13.53	258118	8.40
1001-2000	140	6.23	217822	7.09
2001-3000	47	2.10	117900	3.84
3001-4000	19	0.84	69039	2.25
4001-5000	15	0.67	70150	2.28
5001-10000	30	1.33	225619	7.34
10000 and above	32	1.42	1714660	55.82
TOTAL	2247	100.00	3072100	100.00

l. Dematerialisation of Shares

The company's shares are traded in dematerialized form only. Company has connectivity with two depository ie National Securities Depository Ltd ( NSDL ) and Central Depository Service ( India ) Ltd. ( CDSL ). As on March 31, 2005 about 56.66 % comprising 17,40,880 equity shares are in dematerialised form.

m. The company has not issued any GDRs/ADRs/warrants or any convertible instruments.

n. Plant location :

Company has set up an Ice Skating Rink at Esselworld, Gorai, Borivali (W) Mumbai – 400 091 on BOT (built, operate & transfer) basis.

o. Address for correspondence

Shareholders should address their correspondence to the company's registered office or company's Registrar and share transfer agents.

Registered office : 24 Gunbow Street, Fort, Mumbai – 400 001.  
Phone No. 22612811 / 22612822

Registrar and Share transfert agents : Bigshare Services Pvt. Ltd.  
E-2 Ansa Industrial Estate,  
Sakivihar Road,  
Saki Naka, Andheri (E)  
Mumbai – 400 072.  
Phone No. 28560652/28560653.



**K.K. GADA & CO.**  
**CHARTERED ACCOUNTANTS**

411, Marathon Max, Mulund-Goregaon Link Road, Mulund (W), Mumbai - 400 080.  
Tel.: 25649833 / 25917404 • E-mail : kkgada@vsnl.com

Ref. No.:

Date : \_\_\_\_\_

**CERTIFICATE REGARDING COMPLIANCE OF**  
**CORPORATE GOVERNANCE**

To,  
**The Shareholders of Regal Entertainment & Consultants Ltd.**

We have examined the compliance of conditions of Corporate Governance by Regal Entertainment & Consultants Ltd. for the year ended on 31<sup>st</sup> March 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that there were no investor grievances received during the year ended 31<sup>st</sup> March, 2005, as per records maintained by the Company which are presented to Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For K. K. Gada & Co.**  
**(Chartered Accountants)**

**Kirit K. Gada**  
**Proprietor**  
(Membership No. 38952)



**Place : Mumbai**

**Date : 26 AUG 2005**



# K.K. GADA & CO.

## CHARTERED ACCOUNTANTS

005 Kumbhvanath Ground Floor, D-7, Sarvodaya Parshwanath Nagar, Nahur Road, Mulund (W),  
411, Marathon Max, Mulund-Goregaon Link Road, Mulund (W), Mumbai - 400 080.  
Tel.: 25649833 / 25917404 • E-mail : kkgada@vsnl.com

Ref. No.:

Date : \_\_\_\_\_

### AUDIT REPORT

To,  
The Members  
**Regal Entertainment and Consultants Ltd.**

We have audited the attached Balance Sheet of Regal Entertainment and Consultants Ltd. as at 31<sup>st</sup> March, 2005 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on the 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 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in term of Sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.

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

- i ) We have obtained all the information and explanations, which to our best knowledge and belief were necessary for the purposes of our audit ;
- ii ) 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;
- iii ) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt by this report are in the agreement with the books of accounts;
- iv ) In our opinion, the Balance Sheet, Profit & 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;





**K.K. GADA & CO.**  
**CHARTERED ACCOUNTANTS**

005 Kunthunath, Ground Floor, D-7, Sarvoday Parshwanath Nagar, Nahur Road, Mulund (W),  
**411, Marathon Max, Mulund-Goregaon Link Road, Mulund (W), Mumbai - 400 080.**  
Tel.: 25649833 / 25917404 • E-mail : kkgada@vsnl.com

Ref. No.:

Date : \_\_\_\_\_

v ) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2005 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 explanation given to us, the said accounts read together with Accounting Policies and 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 31<sup>st</sup> March, 2005 ;
- b ) in the case of Profit & Loss Account, of the loss of the company for the year ended on that date ; and
- c ) in the case of Cash Flow Statement, of the cash flows for the year ended on that date .

For K.K. Gada & Co.  
(Chartered Accountants)

( Kirit K. Gada )  
Proprietor  
(Membership No. 38952)



Place : Mumbai

Date : 26 AUG 2005

# REGAL ENTERTAINMENT & CONSULTANTS LTD.

## BALANCE SHEET AS AT MARCH 31, 2005

		AS AT SCHEDULE 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
<b>SOURCES OF FUNDS</b>			
<b>1) Shareholders' Fund</b>			
Capital	01	✓ 30,721,000	30,721,000
Reserves & Surplus	02	✓ 100,000	507,532
2) Loan Funds		-	-
3) Deferred Tax liability		✓ 263,384	163,215
<b>TOTAL</b>		<b>31,084,384</b>	<b>31,391,747</b>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
Gross Block	03	4,729,095	4,711,095
Less : Depreciation		1,453,090	1,131,385
Net Block		3,276,005	3,579,710
<b>2. Investments</b>	04	✓ 450,000	450,000
<b>3. Current Assets, Loans &amp; Advances</b>			
Current Assets	05	11,734,936	12,231,731
Loans & Advances	06	15,436,812	16,639,451
		27,171,748	28,871,182
Less :			
<b>Current Liabilities &amp; Provisions</b>	07	1,572,851	1,672,842
<b>Net Current Assets</b>		<b>25,598,897</b>	<b>27,198,340</b>
<b>4. Miscellaneous Expenditure</b>			
Profit & Loss Account		1,759,482	-
Preliminary Expenses		-	2,725
Public Issue Expenses		-	160,972
(To the extent not written off)			
<b>TOTAL</b>		<b>31,084,384</b>	<b>31,391,747</b>

**Significant Accounting Policies  
& Notes to Accounts**

As per our report of even date attached

On behalf of the Board

**For K.K.GADA & CO.,  
Chartered Accountants**

( Kirit K. Gada )  
Proprietor

**For REGAL ENTERTAINMENT AND  
CONSULTANTS LTD.**

Dinesh Gupta  
Managing Director

Satish Kusumbiwak  
Jt. Managing Director

PLACE : MUMBAI  
DATE : 26th August 2005

K.B. Agarwal  
Director

Surendra Salgia  
Director

# REGAL ENTERTAINMENT & CONSULTANTS LTD.

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2005

	SCHEDULE CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
<b>INCOME</b>		
Sale of Shares/Securities	2,011,645	2,308,627
Income from Operations at Ice Skating Rink	3,694,713	3,336,914
Closing Stock of Shares/Securities	10,951,871	11,578,156
Dividend	10,064	19,385
Interest	993,214	1,055,732
(TDS Rs. 1,42,361 /- Previous Year Rs. 1,81,771/-)		
<b>TOTAL</b>	<b>17,661,507</b>	<b>18,298,814</b>
<b>EXPENDITURE</b>		
Opening stock of Shares/ Securities	11,578,156	10,740,440
Purchase of Shares/Securities	2,814,447	3,330,879
Operational, Office and Adm. Expenses	8 4,425,585	3,766,107
Depreciation	3 321,705	157,228
Loss from Share Trading	585,734	
Preliminary Exp. W/O	2,725	21,339
<b>TOTAL</b>	<b>19,728,352</b>	<b>18,015,993</b>
<b>PROFIT BEFORE TAXATION</b>	<b>(2,066,845)</b>	<b>282,821</b>
Provision for taxation	-	36,126
Profit after taxation	<b>(2,066,845)</b>	<b>246,695</b>
Deferred Tax liability Provided	<b>100,169</b>	<b>103,224</b>
Profit after provisions	<b>(2,167,014)</b>	<b>143,471</b>
Balance brought forward	<b>407,532</b>	<b>264,061</b>
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<b>(1,759,482)</b>	<b>407,532</b>

Significant Accounting Policies  
& Notes to Accounts

9

As per our report of even date attached

On behalf of the Board

For K.K.GADA & CO.,  
Chartered Accountants

(Kirit K Gada)  
Proprietor

For REGAL ENTERTAINMENT AND  
CONSULTANTS LTD.

Dinesh Gupta  
Managing Director

Satish Kusumbiwal  
Jt. Managing Director

PLACE : MUMBAI  
DATE : 26th August 2005

K.B. Agarwal  
Director

Surendra Salgia  
Director

# SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31-3-2005

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
<b>SCHEDULE "01"</b>		
<b>SHARE CAPITAL</b>		

## AUTHORISED CAPITAL

35,00,000 Equity Shares of Rs. 10 each	35,000,000	35,000,000
<b>TOTAL</b>	<b>35,000,000</b>	<b>35,000,000</b>

## ISSUED, SUBSCRIBED & PAID UP CAPITAL

30,72,100 (30,72,100) Equity Shares of Rs. 10 each fully paid up for cash	30,721,000	30,721,000
<b>TOTAL</b>	<b>30,721,000</b>	<b>30,721,000</b>

## SCHEDULE "02"

### RESERVE & SURPLUS

General Reserve	100,000	100,000
Profit & Loss Account	-	407,532
<b>TOTAL</b>	<b>100,000</b>	<b>507,532</b>

## SCHEDULE "03"

### FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	AS AT	ADDITIONS/ DEDUCTION	AS AT	FOR THE	AS AT	AS AT	AS AT
	31.03.2004	DURING THE YEAR	31.03.2005	YEAR	31.03.2005	31.03.2004	31.03.2005
AIRCONDITIONER	49,500	-	49,500	2,351	11,098	40,753	38,402 ✓
COMPUTER	240,250	18,000	258,250	1,415	241,665	-	16,585 ✓
MOTOR CAR	947,033	-	947,033	89,968	840,309	196,692	106,724 ✓
GOODWILL	200,000	-	200,000	40,000	40,000	200,000	160,000 ✓
OFFICE EQUIPMENT	24,135	-	24,135	1,146	11,305	13,976	12,830 ✓
FURNITURES	207,432	-	207,432	13,130	84,385	136,177	123,047 ✓
PLANT & MACHINERY	1,766,365	-	1,766,365	131,064	163,403	1,734,026	1,602,962 ✓
BUILDING	1,276,380	-	1,276,380	42,631	60,925	1,258,086	1,215,455 ✓
<b>TOTAL</b>	<b>4,711,095</b>	<b>18,000</b>	<b>4,729,095</b>	<b>321,705</b>	<b>1,453,090</b>	<b>3,579,710</b>	<b>3,276,005</b>
PREVIOUS YEAR	1,668,350	3,042,745	4,711,095	157,228	1,131,385	694,133	3,579,710

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**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31-3-2005**

	AS AT 31.03.2005 Rs.	AS AT 31.03.2004 Rs.
<b>SCHEDULE "04"</b>		
<b>INVESTMENTS (LONG TERM) AT COST</b>		
Unquoted Equity Shares		
45,000 Equity Shares of Gujrat Chemi Plasto Ltd. of Rs. 10 each fully paid up	450,000	450,000
<b>TOTAL</b>	<b>450,000</b>	<b>450,000</b>
<b>SCHEDULE "05"</b>		
<b>CURRENT ASSETS</b>		
Cash on hand	81,576	415,597
Bank Balance with scheduled banks on Current Account	633,663	153,269
Sundry Debtors	67,826	84,709
Stock in trade (Shares & Securities)	10,951,871	11,578,156
<b>TOTAL</b>	<b>11,734,936</b>	<b>12,231,731</b>
<b>SCHEDULE "06:</b>		
<b>LOANS AND ADVANCES</b>		
Deposits	256,500	267,500
Loans to others	9,688,104	9,949,233
Advance Tax & T.D.S.	704,668	562,307
Advances Recoverable in cash or kind for the value to be received	4,787,540	5,860,411
<b>TOTAL</b>	<b>15,436,812</b>	<b>16,639,451</b>
<b>SCHEDULE "07"</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors for Expenses	272,221	113,009
Sundry Creditors for Purchases	910,504	1,169,707
	1,182,725	1,282,716
<b>PROVISIONS</b>		
Provision for taxation	150,126	150,126
Provision for doubtful debts	240,000	240,000
<b>TOTAL</b>	<b>1,572,851</b>	<b>1,672,842</b>

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# SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year ended 31.03.2005 Rs.	Year ended 31.03.2004 Rs.
<b>SCHEDULE "08"</b>		
<b>OPERATIONAL, OFFICE AND ADMINISTRATION EXPENSES</b>		
Salaries, Bonus & Allowance	788,030	706,229
Staff Welfare Expenses	1,743	2,988
Electricity Expenses	1,141,155	1,010,941
Conveyance & Travelling Exp.	10,593	9,993
Water Charges	35,329	55,539
Printing & Stationery	44,700	43,779
Share of Pan India Paryatan Ltd	1,393,244	1,221,135
Telephone Exp.	110,051	88,405
Postage & Courier	11,431	14,535
Office Rent	117,000	94,000
A.G.M. Exp.	1,000	1,000
Bank Charges	2,211	2,437
Auditor's Remuneration	17,632	17,600
Filing Fees	1,000	1,000
Listing Fee	16,300	23,800
Entertainment Exp.	1,894	2,081
Insurance	2,065	5,055
Office Expenses	3,529	15,175
Advertisement Exp.	19,154	14,122
Demat Exp.	2,109	4,079
Transportation Charges	-	5,200
Bad Debts	412,211	17,753
Repairs & Maintenance	94,176	233,823
Membership & Subscription	16,645	-
Legal & Professional charges	7,300	1,500
Public Issue Expenses W/O	160,972	161,069
Miscellaneous Expenses	14,111	12,869
<b>TOTAL</b>	<b>4,425,585</b>	<b>3,766,107</b>

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## **SCHEDULE - 9**

### **NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH, 2005**

#### **A) SINGNIFICANT ACCOUNTING POLICIES**

**1. Basis for Accounting:**

Accounts are prepared under the historical cost convention. The Company has materially comply with accounting standards as recommended by the Institute of Chartered Accountants Of India.

**2. Depreciation :**

Depreciation is charged on all the assets on Straight Line basis (SLM) at the rates and manner prescribed in schedule XIV of the Companies Act, 1956 as amended upto date.

**3. Investment :**

Investment are stated at cost of acquisition and are long term in nature.

**4. Inventories :**

Inventories of shares and securities are carried at cost.

**5. Prior Period Items as per AS 5 :**

The Company has amortized Goodwill of Rs. 20,000 /- pertaining to of financial year 2003-2004.

**6. Revenue Recognition as per AS 9 :**

- (a) Revenue from Sale is recognized at the time when transaction is entered into.
- (b) Revenue from Interest is recognized on time proportion basis except interest on certain loans amounting to Rs. 16,67,698/- on which no Interest is charged by the Company.
- (c) Revenue from Dividend is recognized when declaring Company declares dividend.
- (d) Revenue from Capital Market Transactions are recorded at the point of squaring up of transactions takes place.

**7. Accounting for Fixed Assets as per AS 10 :**

Fixed Assets are stated at cost less depreciation. Costs comprised of cost of acquisition and all attributable costs of bringing the assets to condition for their intended use. In

case of Self constructed Fixed Assets cost includes all costs which are directly related to specific asset and all costs that are attributable to construction activity are allocated to specific assets.

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**8. Segment Reporting under Accounting Standard (AS) 17 :**

The Company operates in two business segments namely Entertainment and Finance. Segments Revenue results and Capital Employed at the end of the year is as follows:

<b>Segment Revenue Results and Capital Employed</b>			
<b>( Rs. in Lakhs )</b>			
Sr. No.	Particulars	<b>Year Ended 31.03.2005 Audited</b>	<b>Year Ended 31.03.2004 Audited</b>
1	Segment Revenue		
	Financial	<b>139.67</b>	149.62
	Entertainment	<b>36.95</b>	33.37
	Revenue from operations	<b>176.62</b>	182.99
2	Segment Result		
	Profit(+)/Loss(-) before interest tax		
	Financial	<b>(23.28)</b>	0.85
	Entertainment	<b>4.80</b>	4.38
	Total	<b>(18.48)</b>	5.23
	Less :1) Interest	--	--
	2) Unallocable Exp	<b>2.19</b>	2.40
	Profit before tax	<b>(20.67)</b>	2.83
3	Capital Employed		
	(segment assets-segment liabilities)		
	Financial	<b>254.45</b>	275.30
	Entertainment	<b>19.72</b>	19.17
	Unallocated	<b>16.44</b>	17.81
	<b>Total</b>	<b>290.61</b>	312.28

**9. Related party disclosure as per Accounting Standard (AS) 18 :**

The list of Related parties as identified by the management are as under :

	Name of the party	Nature of Transaction	Amount
1.	Key Management Personnel		
	1. Mr. Satish Kusumbiwal ( Joint Managing Director )	Managerial Remuneration	Rs. 1,56,000 /-
	2. Mr. Dinesh Gupta ( Managing Director )	Managerial Remuneration	Rs. 1,56,000 /-

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The Company has identified all related parties. No provision for doubtful debts or advances is required to be made and no amounts have been written off or written back during the year in respect of debts due from or to related parties.

**10. Lease Accounting as per Accounting Standard 19 :**

Not applicable to the Company since no lease transaction took place during the year.

**11. Earning per Share as per Accounting Standard 20 :**

The particulars of Basic Earning Per Share are as follows :

	As on 31.03.2005	As on 31.03.2004
Net Profit for the year ( Rs. )	(21,67,014)	1,43,471
No. of Equity Shares outstanding at the beginning and at the end of the year	30,72,100	30,72,100
Nominal Value of Shares ( Rs. )	10 per share	10 per share
Basic Earning per share ( Rs. )	(0.71)	0.06
(Net Profit for the year attributable to Equity Shareholder / Weighted Avg. No. of Equity Shares outstanding during the year )		

Diluted Earning per share is not applicable as the Company has not issued any Preference Shares / Security / Warrant / Debentures which are convertible into equity shares in future.

**12. Consolidated Financial Statement as per Accounting Standard (AS ) 21 :**

Not applicable as the Company does not have any subsidiary.

**13. Accounting for Taxes on Income as per Accounting Standard ( AS ) 22 :**

Income Tax expenses is accrued in accordance with AS – 22 “ Accounting for taxes on Income” which includes Deferred Taxes. Deferred Income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable virtual certainty that sufficient future taxable income will be available.

**14. Accounting Of Intangible Assets as per Accounting Standard ( AS ) 26 :**

The Company has amortized Goodwill of Rs. 40,000/- (1/10 of Rs. 2,00,000/- for two years) as per Accounting Standard ( AS ) 26

**15. Deferred Revenue Expenditure :**

Public Issue Expenses have been written off 1/10 of the aggregate during the year

**16. Financial Reporting of Interest in Joint Venture as per Accounting Standard ( AS –27)**

The Company is running an Ice Skating Rink at Esselworld, constructed on Revenue Sharing , BOT ( Built, Operate & Transfer ) basis with Pan India Paryatan Ltd. The Rink commenced operation from May 2003. The Agreement is for a period of 5 years beginning from the date of commencement of Commercial Operation.

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**17. Impairment of Assets as per Accounting Standard (AS- 28):**

Since carrying amount of assets does not exceeds recoverable amount, there is no need for provision of impairment of loss assets as per Accounting Standard 28.

**B ) OTHER NOTES :**

1. Previous year figures are regrouped/rearranged wherever necessary .

**2. Sundry Debtors :**

	AS 31.03.2005	on AS 31.03.2004
Debtors considered good in respect of which the Company is fully secured	Nil	Nil
Debtors considered good for which the Company holds no security	Rs. 67,826/-	Rs. 84,709/-
Debtors considered Bad or Doubtful	Nil	Nil
Debts due to Private Company in which Director is Director or member	Nil	Nil
Debt due to firm in which Director is partner	Nil	Nil

3. There are no S.S.I. creditors above 30 days exceeding Rs. 1,00,000 /-.

**4. Auditors Remuneration :**

	Current Year	Previous Year
As a Statutory Auditor	10,000 /-	10,000 /-
For Tax Audit	6,000 /-	6,000 /-
( Exclusive of Service Tax )		

5. Expenditure on employee getting remuneration not less than Rs. 24,00,000 / - p.a. or Rs. 2,00,000 / - p.m. is **Nil**.

6. Contingent Liabilities : Rs. **NIL** ( Previous Year Rs. Nil)

**7. Taxes on Income as per Accounting Standard ( AS ) 22 :**

	Bal. as on 31.03.04	Arising during the year	Balance as on 31.03.2005
Deferred Tax Liabilities on account of timing difference in Depreciation	1,63,215	1,00,169	<b>2,63,384</b>
Deferred tax assets	Nil	Nil	<b>Nil</b>
<b>Net Amount</b>	<b>1,63,215</b>	<b>1,00,169</b>	<b>2,63,384</b>

8. Debit and Credit balances of the parties are subject to confirmation.

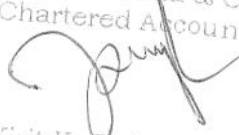
9. In the opinion of the Board of Directors, the Current Assets, Loans & Advances are approximately of the values stated, if realised in the ordinary course of business.

R R b ef



As per our report of even date attached

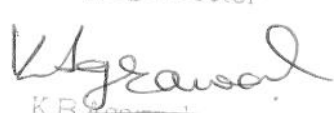
For K.K. Gada & Co.,  
Chartered Accountants,

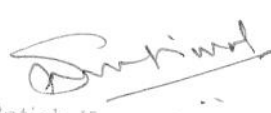
  
Kirit K. Gada  
(Proprietor)

26th Aug.2005



  
Dinesh Gupta  
Managing Director

  
K.B. Agarwal  
Director

  
Satish Kusumbiwal  
Jt. Managing Director

  
Surendra Salgia  
Director

Cash Flow Statement annexed to the Balance Sheet for the Year ended 31st March 2005.

		31.3.2005		Rs. In lakh
				31.3.2004
A. Cash Flow from Operating Activities				
Net profit after Tax as per P&L Account		(20.67)		2.47
Tax		---		0.36
Net Profit before Tax and extraordinary items		(20.67)		2.83
Adjusted for i) Depreciation	3.22		1.57	
ii) Preliminary & Issue Expenses W/off	<u>1.63</u>	4.85	<u>1.82</u>	3.39
Provision for Deferred Tax Liability		(1.00)		(1.03)
Operating Profit before working capital		(16.82)		5.19
Adjusted for				
Trade & Other Receivables	0.17		(0.85)	
Inventories	6.26		(8.38)	
Loans	13.45		4.45	
Trade Payable	(0.99)		9.75	
Cash generated from operations		18.89		4.97
Direct Taxes paid		2.07		10.16
Cash Flow before extraordinary Items		0.43		0.79
Preliminary & Issue Expenses		1.64		9.37
Net cash from operating activities		---		---
B. Cash Flow from Investing Activities		1.64		9.37
Purchase of Fixed Assets				
Net Cash used in Investing Activities		0.18		20.77
C. Cash Flow from financing Activities		(0.18)		(20.77)
Proceeds from issue of share capital		---		---
Dividend paid		---		---
Proceed from long term borrowings		---		---
Repayment of long term borrowings		---		---
Net Cash used in financing activities		---		---
Net increase in Cash & Cash equivalents (A+B+C)		1.46		(11.40)
Opening balance of cash & Equivalents		5.69		17.09
Closing Balance of Cash Equivalents		7.15		5.69

By order of the Board

Dinesh Gupta  
Managing Director

Satish Kusumbiwal  
Jt. Managing Director

Mumbai  
Dated : 26<sup>th</sup> August 2005

## AUDITORS' REPORT

We have examined the attached Cash Flow Statement of Regal Entertainment & Consultants Limited for the year ended 31<sup>st</sup> March 2005. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Stock Exchange, Mumbai and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 26<sup>th</sup> August, 2005 to the members of the company.

For K. K. Gada & Co.  
Chartered Accountants

Kirti Gada  
Proprietor  
(Membership no. 38952)



Place: Mumbai

Date : 26<sup>th</sup> August 2005



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
STATEMENT PURSUENT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Registration Detail		State Code	
Registration No.	011-64689		11
Balance Sheet Date	31-03-2005		
Capital Raised during the year (Amount in Rs. Thousand)			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
Position of Mobilization and deployment of Funds (Amount in Rs. Thousand)			
Total Liabilities	31084	Total Assets	31084
Source of Funds			
Paid-up Capital	30721	Reserve and Surplus	100
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	3276	Investment	450
Net Current Assets	25599	Misc. Expenditure	1759
Accumulated Losses	NIL		
Performance of Company (Amount in Rs. Thousand)			
Turnover	17662	Total Expenditure	19728
+/- Profit/Loss Before Tax	-2067	+/- Profit/Loss After Tax	-2067
(Please appropriate box, + Profit, - Loss)			
Earning Per Share in (Rs.)	(0.71)	Dividend Rate %	NIL
Generic Name of Three Principle Products/Services of Company (As per Monetary Terms)			

Item Code No. (TTC) Product Description

NA

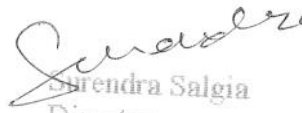
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N A N C I A L A D V I S O R Y S E  
R V I C E S D E A L I N G I N  
S E C U R I T I E S



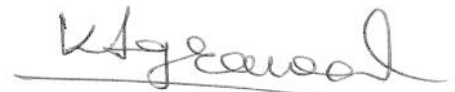
Dinesh Gupta  
Managing Director



Satish Kustumbiwal  
Jt. Managing Director



Surendra Salgia  
Director



K. B. Agarwal  
Director

Place : Mumbai

Date : 26<sup>th</sup> August 2005