REGAL ENTERTAINMENT AND CONSULTANTS LTD.

Fourteenth Annual Report 2005-2006

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 : Friday, 29th September 2006
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.

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the members of REGAL ENTERTAINMENT AND CONSULTANTS LIMITED will be held on Friday 29th September 2006 at 2.30p.m. at, Jurassic Park Resort & Club, Kharodi Ali Talao Road, Malad (W), Mumbai – 00 095, 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 31st March 2006 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dinesh Gupta who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Satish Kusumbiwal 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 and to fix their remuneration.
5. 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 Agreement entered into by the company with the Stock Exchange 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 Shares of the face value of Rs. 10/- each by way of equity shares and / or securities converted into equity ie partly / fully convertible debenture / 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"), employee 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 Institution 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 offering on preferential allotment basis, on such terms and conditions and in one or more transches 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 questions, 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."

By order of the Board

Place : Mumbai
Date : 28th August 2006

DINESH GUPTA
Managing Director

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 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 Register of Members and the Share Transfer book of the Company will remain closed from, Saturday 23rd September, 2006 to Thursday 28th September, 2006 (both days inclusive).
5. 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 Depositary participant.
6. 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.
7. Members are requested to kindly bring their copies of the Report and Account to the meeting.

By order of the Board

Place: Mumbai
Date: 28th August 2006

DINESH GUPTA
Managing Director

REGISTERED OFFICE
24, Gunbow Street,
Fort, Mumbai – 400 001.

EXPLANTORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACTS, 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 other parts of the country. In this direction company is negotiating with companies engaged in Entertainment & Hotel industries.

Moreover, in order to broad base its activities further in the Entertainment segment, Company is planning to enter into production of Music Albums. The company is also exploring the possibilities of production / distribution of feature films / T. V. Serials.

The company will need additional funds to execute these plans; hence the resolution is proposed to enable 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 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.

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. Dinesh Gupta aged around 45 years was first appointed on the Board on September 05, 1994 as an additional director. He was first appointed Managing Director on 31st October 1994. Mr. Gupta, holds Bachelor's degree in commerce and is a Fellow Members 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. Shri Gupta hold 137800 shares in the company as on March 31st, 2006.

Other directorship	Committee Membership
Data Office Products Pvt. Ltd.	
Ameya Finvest Pvt. Ltd.	Regal Entertainment & Consultants Ltd.
Harshustav Finance & Investment P. Ltd.	Shareholder's Committee
Dhakla Marketing Pvt. Ltd.	

2. Mr. Satish Kusumbiwal aged around 44 years was first appointed on the Board on September 05, 1994 as an additional director. He was first appointed as Jt. Managing Director on 31st October 1994, Mr. Kusumbiwal holds a Bachelor's degree in commerce and is a Fellow Member of the Institute of Chartered Accountant of India. He was around 20 years varied experience in Project Evaluation, Money market operation, Merchant Banking etc. Presently he is Jt. Managing Director of the Company. Shri Kusumbiwal holds 149320 shares in the company as on March 31st, 2006.

Other directorship	Committee Membership
Anurag Finvest Pvt. Ltd.	
Abhinikh Capital Finvest Pvt. Ltd.	Regal Entertainment & Consultants Ltd.
Vedika Finance Pvt. Ltd.	Shareholder's Committee
Abhinikh Trading Pvt. Ltd.	

By order of the Board

DINESH GUPTA
Managing Director

Place: Mumbai
Date: 28th August 2006

REGISTERED OFFICE
24, Gunbow Street,
Fort, Mumbai – 400 001.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Fourteenth Annual Report and Audited Accounts for the year ended 31st March 2006.

FINANCIAL RESULTS:

	For the year ended March 31, 2006 (Rs. in Lakh)	For the year ended March 31, 2005 (Rs. in Lakh)
Income	325.90	176.62
Profit before tax	2.71	(20.67)
Less: Provision for tax	--	--
Provision for Fringe benifit tax	0.18	--
Ealier Year Item	1.00	--
Deffered tax liablity	0.36	1.00
Profit after tax	1.17	(21.67)
Add: Profit brought forward from last year	(17.59)	4.08
	(16.42)	(17.59)
Profit available for Appropriation	(16.42)	(17.59)
APPROPRIATIONS:		
Balance Carried Forward	(16.42)	(17.59)

DIVIDEND:

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

OPERATIONS :

The total income increased to Rs. 325.90 Lakh from Rs. 176.62 Lakh and the company made a profit of Rs. 1.17 Lakh, as against loss of Rs. 21.67 Lakh in the last year. The company improved its performance in both segment viz; Financial and Entertainment.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with 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 31st March, 2006, 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 31st March 2006 on a 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 in the Stock Exchange, Mumbai and Madras and listing fee for the financial year 2006-2007 have been paid to the concerned Stock Exchanges. The approval of Delhi Stock Exchange for voluntary delisting is still awaited meanwhile company has not made payment of listing fee to Delhi Stock Exchange.

DIRECTORS :

Shri Dinesh Gupta and Shri Satish Kusumbiwal retire by rotation and eligible for reappointment, which the directors recommend.

AUDITORS :

Shareholders are requested to appoint the Auditors of the Company. M/s K. K. Gada & Co, Chartered Accountants, retiring Auditors have informed the Company that being eligible they 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.

The observations of the Auditors in their Report are self – explanatory.

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 the entire staff member, Bankers, Shareholders and Clients for their valuable support to the Company.

By order of the Board

DINESH GUPTA
Managing Director

SATISH KUSUMBIWAL
Jt. Managing Director

Place : Mumbai
Date : 28th August, 2006.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry structure and development

   The health of Indian entertainment industry is largely influenced by the economic condition of the country. The GDP growth in the year 2005 – 06 was in excess of 8.4%. The Indian Entertainment industry also grew in terms of volume.

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 other parts of the country. In this direction company is negotiating with companies engaged in Entertainment & Hotel industries.

   Moreover, in order to board base its activities further in the Entertainment segment, Company is entering into production of Music Album. The company is also exploring the possibilities of entering into production / distribution of feature films / T. V. Serials.

3. Opportunities and Threats

   Due to various factors like changing life style, increase in disposal income necular family, changing demographic profit etc.

   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 interest 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 : (Rs. in Lakh)

	Finance	Entertainment	Unallocable	Total
Income	282.36	43.54	—	325.90
Profit before tax	(3.71)	7.26	(0.84)	2.71

5. Risk & Concerns :

   Your company is in continuous proceses 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 increased to Rs. 325.90 lacs from Rs. 176.62 lacs and the company made a profit of Rs. 1.17 Lakh as against loss of Rs. 21.67 lacs in the last year.

8. Human resources mangement :

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

9. Cautionary Statment :

   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 : 28th August, 2006.

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 indispensability 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 exercise 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, 2006 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 29th April 2005, 29th July 2005, 26th August 2005, 31st October 2005 and 31st January 2006.

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

Name of Director	Position	Attendance Particular		No of Directionship & committee Membership / chairmanship		
		Board Meeting	Last AGM	Other Director-ship	Committee Members-ship	Committee Chairman-ship
Dinesh Gupta	P, E	5	Present	4	1	—
Satish Kusumbiwal	P, E	5	Present	4	1	—
Dhiraj Mehta	N, I	5	Present	3	1	1
Surendra Salgia	N, I	5	Present	1	1	1
Brijesh Mathur	N, I	5	Present	—	1	—
K.B. Agarwal	N, I	5	Present	1	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 consituted committee met four times on the following date where all the members of the committee were present present, 29th July 2005, 26th August 2005, 31st October 2005 and 31st January 2006.

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, 2006 is as under.

Name	Desiguation	Remuneration (Rs.)		
		Salary	Allowance	Total
Dinesh Gupta	Managing Director	1,80,000	72,000	2,52,000
Satish Kusumbiwal	Jt. Managing Director	1,80,000	72,000	2,52,000

A declaration signed by Managing Director is given below:

I hereby confirm that, the company has obtained from all the members of the board and senior management, affirmation that they have complied with the code of business conduct and ethics for directors and senior management in respect of the financial year 2005 – 06.

No remuneration was paid to non executive directors.

5. SHAREHOLDER'S COMMITTEE

The committee comprise 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 members of the committee were present:- 29th April 2005, 29th July 2005, 31st October 2005 and 31st January 2006.

There were no complaints received from the shareholders during the year. As on March 31st, 2006 , 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 :

Annual General Meeting / Year	Day, Date	Time	Venue
13th Meeting, 2005	Thursday, September 29, 2005	2.30 pm	Jurassic Park Resort & Club, Kharodi Ali Talao Road, Malad (W) Mumbai – 400095.
12th Meeting, 2004	Wednesday, September 29, 2005	3.00 pm	Jurassic Park Resort & Club, Kharodi Ali Talao Road, Malad (W) Mumbai – 400095.
11th Meeting, 2003	Monday, September 29, 2003	11.00 am	Jurassic Park Resort & Club, Kharodi Ali Talao 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 schedules 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.

(c) The individual detail of directors seeking reappointment at the ensuing Annual General Meeting of the company are provided in the explanatory statement accompanying the notice of Annual General Meeting.

8. MEANS OF COMMUNICATION :

Company's financial results like quarterly, half yearly are published regularly as per the requirement of listing agreement generaly 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 formiing part of Directors Report.

9. GENERAL SHAREHOLDER INFORMATION :

a. Annual General Meeting : September 29, 2006 at 2.30 pm. At Jurassic Park Resort & Club, Kharodi Ali, Talao Road, Malad (W), Mumbai – 400 095

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 : 23rd September 2006 to 28th September 2006 (both days inclusive)

d. Listing on Stock Exchange : The Stock Exchange, Mumbai
: The Stock Exchange, Madras

e. Listing fee : Paid for the year 2006 – 2007
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 : INE101E10101

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 2005	6.69	3.29	October 2005	10.13	5.87
May 2005	14.80	5.50	November 2005	7.00	5.92
June 2005	16.00	11.50	December 2005	6.66	6.80
July 2005	14.25	11.68	January 2006	8.40	7.46
August 2005	19.40	11.75	February 2006	7.80	6.01
September 2005	18.65	10.15	March 2006	6.40	5.22

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, 2006, For carrying our physical Share Tranfer / 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, 2006

Category	No of Sahres	Percentage of Total Share
Promoters	287120	9.35
Persons acting in concert	537554	17.50
Private corporate Bodies	282554	9.20
Indian Public	18930930	61.62
Non – resident Indians	12500	0.40
Other clearing Member	59342	1.93

Since then the Shareholding of persons acting in concert stands reduced to 1145290 Shares, as per the information available with the company.

k. Distribution of Shareholding as on March 31, 2006.

Number of shares	No of shareholder	Percent of Shareholder	Percent of Shares	Total Number Holding
1-500	1678	73.66	404005	13.15
501-1000	309	13.56	263990	8.59
1001-2000	148	6.50	230144	7.49
2001-3000	51	2.24	128055	4.17
3001-4000	16	0.70	56365	1.84
4001-5000	14	0.62	65100	2.12
5001-10000	28	1.23	210577	6.85
10000 and above	34	1.49	1713864	55.79
TOTAL	2278	100.00	3072100	100.00

l. Dematerialisation of Shares

The company's shares are traded in dematerialized from only. Company has connectivity with two depositories ie National Securities Depository Ltd. (NSDL) and Central Depository Service (India) Ltd. (CDSL). As on March 31, 2006 about 69.12% comprising 21,23,580 equity shares are in dematerialized form.

m. The company has not issued any GDRs / ADRs / warrents 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

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

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Shareholders of Regal Entertainment And Consultants Ltd.

We have examined the compliance of conditions of Corporate Governance by Regal Entertainment And Consultants Ltd, for the year ended 31st March 2006 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchange 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 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 Corporate Governance as stipulated in the above mentioned Listing Agreements,

We state that there were no investor grievances received during the year ended 31st March 2006, as per records maintained by the Company which are presented to the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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 : 28th August 2006

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of Regal Entertainment and Consultants Ltd. as at 31st March, 2006 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;

v) On the basis of written representations received from the directors, as on 31st March, 2006 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2006 from being appointed/reappointed as a director in terms of clause (g) of sub –section (1) of section 274 of the Companies Act,1956; 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 31stMarch, 2006 ;

b) in the case of Profit & Loss Account, of the profit 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 Accuntants

Kirit K. Gada
Proprietor
(Membership No.38952)

Place: Mumbai
Date : 28th August, 2006.

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31ST MARCH 2006 TO THE MEMBERS OF REGAL EPNTERTAINTMENT AND CONSULTANTS LTD.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.

   (b) All the assets have been physically verified by the management during the year as per programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

   (c) The Company has not disposed off substantial part of fixed assets during the year.

2. Since the Company does not have any inventory during the year and therefore 4 (ii) of the Order is not applicable

3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956, and therefore paragraph 4 (iii) of the said Order is not applicable.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, no major weaknesses have been noticed in the internal control system.

5. In our opinion and according to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act ; 1956 and therefore paragraph 4 (v) of the said Order is not applicable.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which the provisions of the section 58 A and 58 AA of the Companies Act, 1956 and the Rules framed there under are applicable, and therefore paragraph 4(vi) of the Order is not applicable.

7. In our opinion, the company has an internal audit system, which is commensurate with the size and the nature of its business.

8. As informed to us, the maintenance of cost records have not been prescribed by the Central Government under Clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

9. (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and other statutory dues applicable to it.

   (b) According to the records of the company and information and explanation given to us, there are no arrears of outstanding undisputed statutory dues referred to in (a) above as at 31st March, 2006 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

10. The accumulated loss of the Company as at the end of 31st March, 2006 was not more than fifty percent of its net worth. The Company has not incurred cash losses in the current year however the Company has incurred cash losses in immediately preceding financial year.

11. In our opinion and according to the information and explanation given to us, since the company has not taken any loans from banks and financial institution or issued any debentures and therefore paragraph 4 (xi) of the said Order is not applicable.

12. According to the information and explanation given to us, and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore paragraph 4(xii) of the Order is not applicable to the Company.

13. The provisions of any special statute applicable to chit fund and Nidhi / mutual benefit fund / society are not applicable to the company and therefore paragraph 4 (xiii) of the Order is not applicable.

14. The Company is dealing in or trading in shares, securities, debentures and other investments. The Company has maintained proper records of the transactions and timely entries have been made in these records. We also report that the company has held the shares, securities, securities, debentures and other securities in its own name.

15. According to the information and explanation given to us, during the year the company has not given any guarantee for loans taken by others from banks or financial institutions and therefore paragraph 4 (xv) of the order is not applicable.

16. According to the information and explanation given to us, the company has not availed any term loans during the year and therefore paragraph 4 (xvi) of the order is not applicable.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion there are no funds raised on short -term basis which have been used for long term investment and vice versa .

18. According to the information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

19. According to the information and explanation given to us, the company has not issued any debentures during the year and therefore paragraph 4 (xix) of the order is not applicable.

20. The company has not raised any money by way of public issues during the year and therefore paragraph 4 (xx) of the order is not applicable.

21. During the course of our examination of the books and records of the Company, carried out in accordance with auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

FOR **K. K. GADA & Co.**
Chartered Accountants

Kirit K. Gada
Proprietor
(Membership No. 38952)

Place : MUMBAI
Date : 28th August, 2006

REGAL ENTERTAINMENT AND CONSULTANTS LTD.

BALANCE SHEET AS AT MARCH 31, 2006.

	SCHEDULE	AS AT 31.03.2006 Rs.	AS AT 31.03.2005 Rs.
SOURCES OF FUNDS			
1) **Shareholders' Fund**			
Capital	01	30,721,000	30,721,000
Reserves & Surplus	02	100,000	100,00
2) Loan Funds		—	—
3) Deferred Tax liability		299,621	263,384
TOTAL		31,120,621	31,084,384
APPLICATION OF FUNDS			
1. **Fixed Assets**			
Gross Block	03	4,202,562	4,729,095
Less : Depreciation		1,214,208	1,453,090
Net Block		2,988.354	3,276,005
2. **Investments**	04	450,000	450,000
3. **Current Assets, Loans & Advances**			
Current Assets	05	9,032,500	11,734,934
Loans & Advances	06	17,886,532	15,436,812
		26,919,032	27,171,748
Less : **Current Liabilities & Provisions**	07	974,307	1,572,851
Net Current Assets		25,944,725	25,598,897
4. **Miscellaneous Expenditure**			
(To the extent not written off or adjusted)			
Profit & Loss Account		1,642,592	1,759,482
Deffered Revenue Expenditure		94,950	-
(To the extent not written off)			
TOTAL		31,120,621	31,084,384
Significant Accounting Policies and Notes on Accounts	9		

As per our report of even date attached

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

DINESH GUPTA
Managing Director

SATISH KUSUMBIWAL
Jt. Managing Director

KIRIT K. GADA
Proprietor
(Membership No.38952)

SURENDRA SALGIA
Director

K. B. AGARWAL
Director

Place : Mum
Date : 28th August, 2006.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2006

	SCHEDULE	CURRENT YEAR Rs.	PREVIONS YEAR Rs.
INCOME			
Sale of Shares/Securities		20,037,609	2,011,645
Income from Operations at Ice Skating Rink		4,354,086	3,694,713
Closing Stock of Shares/Securities		7,184,025	10,951,871
Dividend		8,714	10,064
Interest		1,005,047	993,214
(TDS Rs. 1,43,127/- (Previous Year Rs.1,42,361/-)			
	TOTAL	32,590,381	17,661,507
EXPENDITURE			
Opening stock of Shares/ Securities		10,951,871	11,578,156
Purhcase of Shares/Securities		14,217,150	2,814,447
Operational, Office and Adm. Expenses	8	6,867,068	4,425,585
Depreciation	4	253,234	321,705
Less from Capital Market Operations		29,950	585,734
Preliminary Exp. W/O		--	2,725
	TOTAL	32,319,273	19,728,352
PROFIT BEFORE TAXATION		271,108	(2,066,845)
Provision for taxation		--	--
Provision for Fringe Benefit Tax		18,459	--
Deferred Tax liability provided		36,237	100,169
Items of earlier year Written Off		99,522	--
Profit after taxation		1,16,890	(2,167,014)
Balance brought forward		(1,759,482)	407,532
AMOUNT AVAILABLE FOR APPROPRIATION		(1,642,592)	(1,759,482)
Significant Accounting Policies and Notes on Accounts	9		

As per our report of even date attached

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

DINESH GUPTA
Managing Director

SATISH KUSUMBIWAL
Jt. Managing Director

KIRIT K. GADA
Proprietor
(Membership No.38952)

SURENDRA SALGIA
Director

K. B. AGARWAL
Director

Place : Mumbai
Date : 28, August, 2006.

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

SCHEDULE	AS AT 31.03.2006 Rs.	AS AT 31.03.2005 Rs
SCHEUDLE "01"		
SHARE CAPITAL		
AUTHORISED CAPITAL		
50,00,000 Equity Shares of Rs. 10 each	50,000,000	35,000,000
(Previous Year : 35,00,000/- Equity Shares of Rs.10/- each)		
TOTAL	50,000,000	35,000,000
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
TOTAL	30,721,000	30,721,000
SCHEDULE "02"		
RESERVE & SURPLUS		
General Reserve	100,000	100,000
Profit and Loss A/c	--	-
TOTAL	100,000	100,000

SCHEDULE "03"
FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	AS AT 31.03.2005	ADDITIONS/ DEDUCTION DURING THE YEAR	AS AT 31.03.2006	AS AT 31.032005	FOR THE YEAR	DEPRECIATION ON SOLD ASSETS	AS AT 31.03.2006	AS AT 31.03.2005	AS AT 31.03.2006
AIRCONDITIONER	49,500	-	49,500	11,098	2,351	-	13,449	38,402	36,051
COMPUTERS	258,250	9,500	267,750	241,665	3,867	-	245,532	16,585	22,218
MOTOR CAR	947,033	(536,033)	411,000	840,309	39,045	492,116	387,238	106,724	23,762
GOODWILL	200,000	-	200,000	40,000	20,000	-	60,000	160,000	140,000
OFFICE EQUIPMENT	24,135	-	24,135	11,305	1,146	-	12,451	12,830	11,684
FURNITURES	207,432	-	207,432	84,385	13,130	-	97,515	123,047	109,917
PLANT & MACHINERY	1,766,365	-	1,766,365	163,403	131,064	-	294,467	1,602,962	14,71,898
BUILDING	1,276,380	-	1,276,380	60,925	42,631	-	103,556	1,215,455	1,172,824
TOTAL	4,729,380	(526,533)	4,202,562	1,453,090	253,234	492,116	1,214,.208	3,276,005	2,988,354
PREVIOUS YEAR	4711,095	18,000	1,668,350	1,131,385	321,705	-	1,453,090	3,579,710	3276,005

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31-3-2006 .

SCHEDULE	AS AT 31.03.2006 Rs.	AS AT 31.03.2005 Rs.
SCHEDULE "04"		
INVESTMENTS (LONG TERM) AT COST		
Unquoted Equity Shares		
45,000 Equity Shares of Gujrat Chemi Plasto Ltd. of Rs.10/- each fully paid up	450,000	450,000
TOTAL	450,000	450,000
SCHEDULE "05"		
CURRENT ASSETS		
Cash on hand	359,004	81,576
Bank Balance with scheduled banks on Currrent Account	1,271,742	633,663
Sundry Debtors	216,828	67,826
Stock in trade (Shares & Securities)	7.184.925	10,951,871
TOTAL	9,032,500	11,734,936
SCHEDULE "06:		
LOANS AND ADVANCES		
Deposits	256,500	256,500
Loans to others	13,333,027	9,688,104
Advance Tax & T.D.S.	561,862	704,668
Advances Tax paid Under Fringe Benefit Tax	15,000	--
Advances Recoverable in cash or kind for the value to be received	3,720,143	4,787,540
TOTAL	17,886,532	15,436,812
SCHEDULE "07"		
CURRENT LIABILITIES		
Sundry Creditors for Expenses	37,782	272,221
Sundry Creditors for Purchases	564.066	910.504
	601,848	1,182,725
PROVISIONS		
Provision for taxation	114,000	150,126
Provision for doubtful debts	240,000	240,000
Provision for Fringe Benefit Tax	18,459	--
TOTAL	974,307	1,572,851

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year ended 31.03.2006 Rs.	Year ended 31.03.2005 Rs.
SCHEDULE "08"		
OPERATIONAL, OFFICE AND ADMINISTRATION EXPENSES		
Salaries, Bonus & Allowance	758,696	644,030
Staff Welfare Expenses	7,150	1,743
Electricity Expenses	1,311,500	1,141,155
Conveyance & Travelling Expenses	157,340	1,54,593
Water Charges	53,409	35,329
Printing & Stationery	58,877	44,700
Share of Pan India Paryatan Ltd.	1,673,422	1,393,244
Telephone Exp.	101,189	110,051
Postage & Courier	20,485	11,431
Office Rent	105,000	117,000
A.G.M. Exp.	1,650	1,000
Bank Charges	2,480	2,211
Auditor's Remuneration	17,958	17,632
Filing Fees	1,000	1,000
Listing Fee	16,300	16,300
Entertrainment Exp.	441	1,894
Insurance	2,092	2,065
Office Expenses	22.510	3,529
Advertisement Exp.	19,684	19,154
Demat Exp.	10,357	2,109
Bad Debts	2,353,766	412,211
Repair & Maintenance :	127,932	94,176
Membership & Subscription	17,137	16,645
Loss on Sale of Fixed Assets	2,917	--
Legal & Professional charges	12,020	7,300
Defferred revenue Exp. W/O	10,550	160,972
Miscellaneous Expenses	1,207	14,111
TOTAL	6,867,068	4,425,585

SCHEDULE 9 :
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH, 2006
A) SIGNIFICANT 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. **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.32,99,497/- 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.

6. **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.

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

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

Segment Revenue Results and Capital Employed

Sr. No	Particulars	Year Ended 31.03.2006 Audited	Year Ended 31.03.2005 Audited
1	Segment Revenue		
	Financial	282.36	139.67
	Entertainment	43.54	36.95
	Revenue from operations	325.90	176.62
2	Segment Result	–	
	Profit(+)/Loss(-)before interest tax		
	Financial	(3.71)	(23.28)
	Entertainment	7.26	4.80
	Total	3.55	(18.48)
	Less :1) Interest	-	--
	2) Unallocable Exp	0.84	2.19
	Profit befor tax	2.71	(20.67)
3	Capital Employed	–	
	(segment assets-segment liabilities		
	Financial	244.59	254.45
	Entertainment	22.16	19.72
	Unallocated	25.03	16.44
	Total	291.78	290.61

8. 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 Kusumbiwa (Joint Managing Director)	Managerial Remuneration	Rs. 1,80,000 /-
2. Key Management Personnel	2. Mr. Dinesh Gupta (Managing Director)	Managerial Remuneration	Rs. 1,80,000 /-

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.

9. Lease Accounting as per Accounting Standard 19 :
Not applicable to the Company since no lease transaction took place during the year.

10. Earning per Share as per Accounting Standard 20 :
The particulars of Basic Earning Per Share are as follows :

	As on 31.03.2006	As on 31.03.2005
Net Profit for the year (Rs.)	**1,16,890**	(21,67,014)
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.) (Net Profit for the year attributable to Equity Shareholder / Weighted Avg. No. of Equity Shares outstanding during the year)	**0.04**	(0.71)

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.

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

Not applicable as the Company does not have any subsidiary.

12. 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.

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

The Company has amortized Goodwill of Rs.20,000/- as per Accounting Standard (AS) 26

14. Deferred Revenue Expenditure :

Expenses for increase in Authorised Share Capital have been written off 1/10 of the aggregate during the year.

15. 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.

16. 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.

17. Provisions, Contingent Liabilities and Contingent Assets (AS- 29):
Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent Liabilities, if material, are disclosed by way of notes.

B) OTHER NOTES :

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

2. Sundry Debtors :

	AS on 31.03.2006	AS on 31.03.2005
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. 2,16,828**	Rs.67,826/-
Debtors considered Bad or Doubtfull	**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 Statutary Auditor	**10,000 /-**	10,000/-
For Tax Audit	**6,000 /-**	6,000/-
For Other Services (Exclusive of Service Tax)	**Nil**	2,300 /-

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 31.03.05	Arising during the year	**Balance as on 31.03.2006**
Deferred Tax Liabilities on account of timing difference in Depreciation	2,63,384	36,237	**2,99,621**
Deferred tax assets	Nil	Nil	**Nil**
NET AMOUNT	2,63,384	36,237	**2,99,621**

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. Certain Balances in Sundry Debtors, Loans and Advances are subject to confirmations/reconciliation and adjustments, the effect of which in the opinion of the management will not be significant, and would be carried out as and when settled.

As per our report of even date attached

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

DINESH GUPTA
Managing Director

SATISH KUSUMBIWAL
Jt. Managing Director

KIRIT K. GADA
Proprietor
(Membership No.38952)

SURENDRA SALGIA
Director

K. B. AGARWAL
Director

Place : Mumbai
Date : 28th August 2006

Cash Flow Statement annexed to the Balance Sheet for the Year ended 31st March 2006.

Rs. In lakh

		31.3.2006		31.3.2005
A Cash Flow from Operating Activities				
Net Profit before Tax and extraordinary items		2.71		(20.67)
Adjusted for i) Depreciation	2.53		3.22	
ii) Deferred, Preliminary & Issue Expenses W/off	0.11	2.64	1.63	4.85
		5.35		(15.82)
Operating Profit before working capital				
Adjusted for				
Trade & Other Receivables	(1.49)		0.17	
Inventories	37.67		6.26	
Loans	(25.78)		13.45	
Trade Payable	(5.81)	4.59	(0.99)	18.89
Cash generated from operations		9.94		3.07
Direct Taxes paid		0.06		1.43
Net cash from operating activities		9.88		1.64
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(0.34)		0.18	–
Deffered Exp. on increase in Authorised Capital	1.06	--	--	--
Net Cash used in Investing Activities		0.72		0.18
C. Cash Flow from financing Activities				
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)		9.16		1.46
Opening balance of Cash Equivalents		7.15		5.69
Closing Balance of Cash Equivalents		16.31		7.15

By order of the Board

Place : Mumbai
Dated : 28th August 2006.

Dinesh Gupta
Managing Director

Satish Kusumbiwal
Jt. Managing Director

AUDITORS' REPORT

We have examined the attached Cash Flow Statement of Regal Entertainment & Consultants Limited for the year ended 31st March 2006. 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 28th August, 2006 to the members of the company.

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

Kirit K. Gada
Properioter
(Membership No. 38952)

Place: Mumbai
Date : 28th August 2006

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**	11
Registration No.	011-64689		
Balance Sheet Date	31-03-2006		

Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

Position of Mobilisation and deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	31120	Total Assets	31120
Source of Funds			
Paid-up Capital	30721	Reserve and Surplus	100
Secured Loans	NIL	Unsecured Loans	NIL

Application of Funds

Net Fixed Assets	2988	Investment	450
Net Current Assets	25963	Misc. Expenditure	1719
Accumulated Losses	NIL		

Performance of Company. (Amount in Rs. Thousand)

Turnover	32590	Total Expenditure	32319
+/- Profit/Loss Before Tax	271	+/- Profit/Loss After Tax	117
(Please appropriate box, + Profit, - Loss			
Earning Per Share in (Rs.)	0.04	Dividend Rate %	NIL

Generic Name of Three Principle Products/Services of Company (As per Monetary Terms)

Item Code No. (ITC)	Product Desctiption
NA	

ENTERTAINMENT AND FINANCIAL ADVISORY SERVICES DEALING IN SECURITIES

As per our report of even date attached

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

DINESH GUPTA
Managing Director

SATISH KUSUMBIWAL
Jt. Managing Director

SURENDRA SALGIA
Director

K. B. AGARWAL
Director

Place : Mumbai
Date : 28th August 2006

REGAL ENTERTAINMENT AND CONSULTANTS LIMITED

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

FOLIO NO. _____ **DP ID** _____

No. of Share(s) held _____ **Client ID** _____

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall.

I hereby record my presence at the 14th ANNUAL GENERAL MEETING at Jurassic Park Resort & Club, Khorodi Talao Road, Malad (West), Mumbai – 400 095, at 2.30 p.m. on Friday 29th September 2006.

Member's / Proxy's Signature

CUT HERE

REGAL ENTERTAINMENT AND CONSULTANTS LIMITED

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

PROXY FORM

FOLIO NO. _____ **DP ID** _____

No. of Share(s) held _____ **Client ID** _____

I/We _____ of _____

_____ being member/members of REGAL ENTERTAINMENT AND CONSULTANTS LIMITED

hereby appoint _____ of _____ failing

him ofor failing him of _____ of _____

_____ as my/our proxy to vote me/us on my our behalf at the 14th Annual General Meeting of the Company to be held on Monday 29th September, 2006 at 2.30 P.M. and at any adjournment thereof.

Dated this _____ day of _____ 2006

Signature of Member _____ Affix Re.1 Revenue Stamp _____

Note: The form should be signed across the stamp as per specimen registered with the Company. The proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting. A proxy need not be Member.

BOOK - POST

If undelivered please return to :

REGAL ENTERTAINMENT & CONSULTANTS LTD.
24, Gunbow Street, Fort, Mumbai - 400 001.