

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, 28th September 2007
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 Fifteenth Annual General Meeting of the members of REGAL ENTERTAINMENT AND CONSULTANTS LIMITED will be held on Friday 28th September 2007 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 2007 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dhiraj Mehta who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Surendra Salgia 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 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 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.”

Place: Mumbai
Date: 28th August 2007

By order of the Board


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 22nd September, 2007 to Thursday 27th September, 2007 (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 Depository 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.

Place: Mumbai
Date: 28th August 2007

By order of the Board


DINESH GUPTA
Managing Director

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

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

ITEM NO. 5

The company wishes to expand its activities in the financial segment. In this direction company is exploring the viability of acquiring membership of stock exchange & /or commodity exchange.

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.

ANNEXTURE

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

1. Shri Dhiraj Mehta aged around 58 years was first appointed on the Board on November 25, 1994 as an additional director. Shri Dhiraj Mehta is qualified Cost Accountant & Company Secretary. He has over 33 years of rich & varied experience in the area of finance, project & general management, Presently he is Managing Director of Javelin Auto Finance Pvt. Ltd.

Other directorship

Master Financial Services Ltd.
Javelin Auto Finance Pvt. Ltd.
Suyash Realtors Pvt. Ltd.

Committee Membership

Regal Entertainment &
Consultants Ltd.
Shareholder's Committee

2. Shri Surendra Salgia aged around 52 years was first appointed on the Board on November 25, 1994 as an additional director. Mr. Salgia, holds a Bachelor's degree in commerce and is a practicing Chartered Accountant with over 23 years of experience in Taxation, Auditing & company law matter. Shri Salgia holds 7400 shares in the company as on March 31st 2007.

Other directorship


Hbarous Trading & Consultants
Pvt. Ltd.

Committee Membership

Regal Entertainment &
Consultants Ltd.
Audit Committee

Place: Mumbai
Date: 28th August 2007.

By order of the Board



DINESH GUPTA
Managing Director

REGISTERED OFFICE

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

DIRECTORS' REPORT

Your Directors presents their Fifteenth Annual Report and Audited Accounts for the year ended 31st March 2007.

FINANCIAL RESULTS:

	For the year ended March 31, 2007 (Rs. in Lakh)	For the year ended March 31, 2006 (Rs. in Lakh)
Income	125.41	325.90
Profit before tax	(11.81)	2.71
Less: Provision for tax	---	---
Provision for Fringe benefit Tax	0.18	0.18
Earlier Year Item	1.08	1.00
Deffered Tax Liability	0.15	0.36
Profit after tax	(13.22)	1.17
Add: Profit brought forward from last year	(16.43)	(17.60)
Profit available for Appropriation	<u>(29.65)</u>	<u>(16.43)</u>

APPROPRIATIONS:

Balance Carried Forward	(29.65)	(16.43)
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DIVIDEND:

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

OPERATIONS AND OUTLOOK:

The total income decreased to Rs. 125.41 Lakh from Rs. 325.90 Lakh and the company incurred loss of Rs. 13.22 Lakh, as against profit after tax of Rs. 1.17 Lakh in the last year.

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:

- That in the presentation of the annual accounts for the financial year ended 31st March, 2007, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- 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;
- 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;
- That the directors had prepared the accounts for the financial year ended 31st March 2007 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 2007-2008 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 Dhiraj Mehta and Shri Surendra Salgia 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.

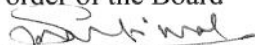
Your Company neither earned nor spent any foreign exchange during the year.

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.

Place: Mumbai
Date: 28th August, 2007


DINESH GUPTA
Managing Director

By order of the Board

SATISH KUSUMBIWAL
Jt. Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

1. **Industry structure and development**
The health of Indian entertainment industry & financial segment is largely influenced by the economic condition of the country. The Indian economy witnessed robust growth in F.Y. 2006-07. The GDP grew by 9.4%.
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. The company wishes to expand its activities in the financial segment. In this direction company is exploring the viability of acquiring membership of Stock Exchange & / or Commodity Exchange.
3. **Opportunities and Threats**
Due to various factors like changing life style, increase in disposal income, nuclear family, changing demographic profile etc, Ice Skating Rink is gaining popularity in various parts of the country. The financial segment is also growing rapidly. 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:

	Finance	Entertainment	Unallocable	Total
Income	83.68	41.73	---	125.41
Profit before tax	(15.87)	4.55	(1.90)	(13.22)
5. **Risk & Concerns:**
Your company is in continues 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.125.41 lacs from Rs. 325.90 lacs and the company incurred a loss of Rs. 13.22 Lakh as against profit after tax of Rs. 1.17 Lakh in the last year.
8. **Human resources management:**
Relation with the employees continued to remain cordial during the year. Training is imparted as per the requirement of the job.

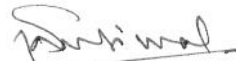
9. Cautionary statement:

Statement 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 , 2007

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, 2007 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 2006, 31st July 2006, 28th August 2006, 31st October 2006 and 31st January 2007.

The composition of board, their attendance, number of other directorship are given below: -

Name of Director	Position	Attendance Particular		No of Directorship & committee Membership / chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
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 auditor's 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, 31st July 2006, 28th August 2006, 31st October 2006 and 31st January 2007.

- 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 31st, 2007 is as under.

Name	Designation	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 2006 – 07.

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 2006, 31st July 2006, 31st October 2006 and 31st January 2007.

There were no complaints received from the shareholders during the year. As on March 31st, 2007, there were no pending share transfers.

6. GENERAL BODY MEETING:

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

Annual General Meeting / Year	Day, Date	Time	Venue
14 th Meeting, 2006	Friday, September 29, 2006	2.30p.m.	Jurassic Park Resort & Club, Kharodi Ali Talao Road, Malad (W) Mumbai – 400 095.
13 th Meeting, 2005	Thursday, September 29, 2005	2.30 p.m.	Jurassic Park Resort & Club, Kharodi Ali Talao Road, Malad (W) Mumbai – 400 095.
12 th Meeting, 2004	Wednesday, September 29, 2004	3.00 a.m.	Jurassic Park Resort & Club, Kharodi Ali Talao Road, Malad (W) Mumbai – 400 095.

No Special resolutions were put through postal till last year.

7. DISCLOSURES:

- 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. 10 of the notes to Accounts, as detailed under schedules 9 of the Annual Accounts.
- 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.
- 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.

SECRETARIAL AUDIT

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

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 is 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 28, 2007 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 : 22nd September 2007 to 27th September 2007 (both days inclusive)
- d. Listing on Stock Exchange : The Stock Exchange, Mumbai
: The Stock Exchange, Madras
- e. Listing fee : Paid for the year 2007 – 2008
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 2006	8.55	5.61	October 2006	4.30	3.00
May 2006	7.85	6.56	November 2006	4.24	3.10
June 2006	7.25	5.47	December 2006	5.47	4.03
July 2006	5.99	3.38	January 2007	6.02	4.55
August 2006	4.43	3.25	February 2007	5.19	4.01
September 2006	4.40	2.81	March 2007	4.60	3.37

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 document are clear and complete in all respects.

There was no share transfer pending as on March 31, 2007. For carrying out physical Share Transfer / demat / remat work including demat connectivity with NSDL & CDSL, Company has appointed Big share Services Pvt. Ltd., E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E) Mumbai – 400 0072, as its transfer agents.

j. Shareholding pattern as on March 31, 2007

Category	No. Of Shares	Percentage of Total
Promoter and promoter group	809674	26.35
Bodies Corporate	346475	11.28
Indian Public	1855336	60.40
Non – resident Indians	6500	0.21
Other clearing Member	54115	1.76
Total	3072100	100.00

k. Distribution of Shareholding as on March 31, 2007.

Number of share	No. Of Shareholder	Percent of Shareholder	Total Number of Shares	Percent of Holding
1-500	1696	70.84	407851	13.28
501-1000	333	13.91	286510	9.33
1001-2000	178	7.44	283702	9.23
2001-3000	59	2.46	155054	5.05
3001-4000	33	1.38	121433	3.95
4001-5000	20	0.88	99262	3.23
5001-10000	36	1.59	274337	8.93
10000 and above	36	1.50	1443951	47.00
TOTAL	2391	100.00	3072100	100.00

l. Dematerialization of Shares

The company's shares are traded in dematerialized form only. Company has connectivity with two depositories ie National Securities Depository Ltd. (NSDL) and Central Depository Service (India) Ltd. (CDSL). As on March 31, 2007 about 73.04% comprising 2243680 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. 22162811/22

Registrar and Share Aransfert Agents:
Bigshare Services Pvt. Ltd.
E-2 Ansa, Industrial Estate, Sakivijhar Road, Saki Naka,
Andheri (E), Mumbai – 400 072. Tel. 28560652/53.

**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 2007 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchange in India.

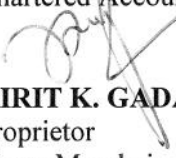
The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression 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 2007, 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
Place: Mumbai
Date: 28th August 2007





K. K. GADA & CO.
CHARTERED ACCOUNTANTS

411, Marathon Max, Mulund-Goregaon Link Road, Mulund (W), Mumbai - 400 080.
Tel.: 25917404 / 2564 9833 • 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 31st March, 2007 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 terms 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, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed/reappointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;





K. K. GADA & CO.
CHARTERED ACCOUNTANTS

411, Marathon Max, Mulund-Goregaon Link Road, Mulund (W), Mumbai - 400 080.
Tel.: 25917404 / 2564 9833 • E-mail : kkgada@vsnl.com

Ref. No.:

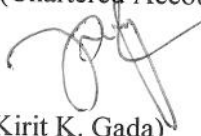
Date : _____

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 31st March, 2007;
- 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: 28/08/2007



K. K. GADA & CO.
CHARTERED ACCOUNTANTS

411, Marathon Max, Mulund-Goregaon Link Road, Mulund (W), Mumbai - 400 080.

Tel.: 25917404 / 2564 9833 • E-mail : kkgada@vsnl.com

Ref. No.:

Date : _____

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31ST MARCH 2007 TO THE MEMBERS OF REGAL ENTERTAINMENT 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 any or 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.





K. K. GADA & CO.
CHARTERED ACCOUNTANTS

411, Marathon Max, Mulund-Goregaon Link Road, Mulund (W), Mumbai - 400 080.
Tel.: 25917404 / 2564 9833 • E-mail : kkgada@vsnl.com

Ref. No.:

Date : _____

(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, 2007 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 except as mentioned in Notes to Accounts Part B at Point No. 6

10. The accumulated loss of the Company as at the end of 31st March 2007 was not more than fifty percent of its net worth. The Company has incurred cash losses in the current year & 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.





K. K. GADA & CO.
CHARTERED ACCOUNTANTS

411, Marathon Max, Mulund-Goregaon Link Road, Mulund (W), Mumbai - 400 080.
Tel.: 25917404 / 2564 9833 • E-mail : kkgada@vsnl.com

Ref. No.:

Date : _____

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: 28/08/2007

REGAL ENTERTAINMENT & CONSULTANTS LTD

BALANCE SHEET AS AT MARCH 31, 2007

	SCHEDULE	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
SOURCES OF FUNDS			
1) Shareholders' Fund			
Capital	01	30,721,000	30,721,000
Reserves & Surplus	02	100,000	100,000
2) Loan Funds		-	-
3) Deferred Tax liability		314,829	299,621
TOTAL		31,135,829	31,120,621
APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	03	4,268,392	4,202,562
Less : Depreciation		1,457,148	1,214,208
Net Block		2,811,244	2,988,354
2. Investments	04	-	450,000
3. Current Assets, Loans & Advances			
Current Assets	05	9,335,253	9,032,500
Loans & Advances	06	16,604,013	17,886,532
		25,939,266	26,919,032
Less :			
Current Liabilities & Provisions	07	663,971	974,307
		25,275,295	25,944,725
4. Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Profit & Loss Account		2,964,890	1,642,592
Preliminary Expenses		84,400	94,950
(To the extent not written off)			
TOTAL		31,135,829	31,120,621

Significant Accounting Policies & Notes to Accounts

9

As per our report of even date attached

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

(Kirit K. Gada)
Proprietor

Place : Mumbai
Date : 28/08/2007



Dinesh Gupta
Managing Director

Surendra Salgia
Director

On behalf of the Board

Satish Kusumbiwal
Jt. Managing Director

K.B. Agarwal
Director

REGAL ENTERTAINMENT & CONSULTANTS LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	SCHEDULE	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
INCOME			
Sale of Shares/Securities		2,246,232	20,037,609
Income from Operations at Ice Skating Rink		4,173,065	4,354,086
Closing Stock of Shares/Securities		5,051,337	7,184,925
Dividend		62,810	8,714
Interest		1,007,649	1,005,047
(TDS-1,11,526/- C.Y & P.Y-143127)			
TOTAL		12,541,093	32,590,381
EXPENDITURE			
Opening stock of Shares/ Securities		7,184,925	10,951,871
Purchase of Shares/Securities		822,728	14,217,150
Operational, Office and Adm. Expenses	8	5,213,092	6,867,068
Depreciation	3	242,940	253,234
Loss from Capital Market Operations		258,349	29,950
TOTAL		13,722,034	32,319,273
PROFIT BEFORE TAXATION		(1,180,941)	271,108
Provision for Taxation		-	-
Items of earlier year Written Off		107,660	99,522
Provision for Fringe Benefit Tax		18,489	18,459
Deferred Tax liability Provided		15,208	36,237
Profit after Taxation		(1,322,298)	116,890
Balance brought forward		(1,642,592)	(1,759,482)
AMOUNT AVAILABLE FOR APPROPRIATION		(2,964,890)	(1,642,592)

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



Dinesh Gupta
Managing Director

Surendra Salgia
Director

Satish Kusumbiwal
Jt. Managing Director

K.B. Agarwal
Director

PLACE : MUMBAI
DATE :28/08/2007

REGAL ENTERTAINMENT & CONSULTANTS LTD

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
SCHEDULE "01"		
SHARE CAPITAL		
AUTHORISED CAPITAL		
50,00,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
(Previous Year : 50,00,000 Equity Shares of Rs. 10/- each)		
TOTAL	50,000,000	50,000,000
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 & Loss Account	-	-
TOTAL	100,000	100,000

SCHEDULE "03"
FIXED ASSETS

Description	Gross Block			Depreciation				Net Block	
	As at 31.03.2006	Addition/ Deduction during the Year	As at 31.03.2007	As at 31.03.2006	For the Year	Depreciation on sold Assets	As at 31.03.2007	As at 31.03.2006	As at 31.03.2007
Air Conditioner	49,500	-	49,500	13,449	2,351	-	15,800	36,051	33,700
Comuputer	267,750	48,830	316,580	245,532	8,606	-	254,138	22,218	62,442
Motor Car	411,000	-	411,000	387,238	23,762	-	411,000	23,762	-
Goodwill	200,000	-	200,000	60,000	20,000	-	80,000	140,000	120,000
Office Equipment	24,135	-	24,135	12,451	1,146	-	13,597	11,684	10,538
Furniture & Fixtures	207,432	-	207,432	97,515	13,130	-	110,645	109,917	96,786
Plant & Machinery	1,766,365	17,000	1,783,365	294,467	131,313	-	425,780	1,471,898	1,357,585
Building	1,276,380	-	1,276,380	103,556	42,631	-	146,187	1,172,824	1,130,193
TOTAL	4,202,562	65,830	4,268,392	1,214,208	242,940	-	1,457,148	2,988,354	2,811,244
Previous Year	4,729,095	(526,533)	4,202,562	1453090	253,234	492,116	1,214,208	3,276,005	2,988,354



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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31-3-2007

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 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
TOTAL	<u>-</u>	<u>450,000</u>
SCHEDULE "05"		
CURRENT ASSETS		
Cash on hand	596,221	359,004
Bank Balance with scheduled banks on Current Account	2,078,076	1,271,742
Sundry Debtors	102,352	216,828
Stock in trade (Shares & Securities)	5,051,337	7,184,925
Accrued Interest on Fixed Deposit	7,267	-
Fixed Deposit With Canara Bank	1,500,000	-
TOTAL	<u>9,335,253</u>	<u>9,032,500</u>
SCHEDULE "06:		
LOANS AND ADVANCES		
Deposits	256,500	256,500
Loans to others	12,186,063	13,333,027
Advance Tax & T.D.S.	397,014	561,862
Advance tax paid Under Fringe Benefit Tax	16,541	15,000
Advances Recoverable in cash or kind for the value to be received	3,747,895	3,720,143
TOTAL	<u>16,604,013</u>	<u>17,886,532</u>
SCHEDULE "07"		
CURRENT LIABILITIES		
Sundry Creditors for Expenses	31,416	37,782
Sundry Creditors for Purchases	374,066	564,066
	405,482	601,848
PROVISIONS		
Provision for Taxation	-	114,000
Provision for doubtful debts	240,000	240,000
Provision for Fringe Benefit Tax	18,489	18,459
TOTAL	<u>663,971</u>	<u>974,307</u>



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SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year ended 31.03.2007 Rs.	Year ended 31.03.2006 Rs.
SCHEDULE "08"		
OPERATIONAL, OFFICE AND ADMINISTRATION EXPENSES		
Salaries, Bonus & Allowance	805,925	758,696
Staff Welfare Expenses	1,956	7,150
Electricity Expenses	1,388,985	1,311,500
Conveyance & Travelling Exp.	67,035	157,340
Water Charges	50,502	53,409
Printing & Stationery	58,786	58,877
Share of PAN India Paryatan Ltd.	1,589,968	1,673,422
Telephone Exp.	105,099	101,189
Postage & Courier	21,409	20,485
Office Rent	114,000	105,000
A.G.M. Exp.	1,560	1,650
Bank Charges	986	2,480
Auditor's Remuneration	17,958	17,958
Filing Fees	2,000	1,000
Listing Fee	16,300	16,300
Entertainment Exp.	1,179	441
Insurance	1,633	2,092
Office Expenses	25,040	22,510
Advertisement Exp.	19,461	19,684
Demat Exp.	2,136	10,357
Bad Debts	44,350	2,353,766
Repairs & Maintenance	349,605	127,932
Depository Expenses	33,541	17,137
Loss on Sale of Fixed Assets	-	2,917
Legal & Professional charges	7,612	12,020
Preliminary Expenses W/O	10,550	10,550
Miscellaneous Expenses	16,358	1,207
Security Transaction Tax	9,158	-
Investment Written Off	450,000	-
TOTAL	5,213,092	6,867,068



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SCHEDULE - 9

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH, 2007

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 in equity shares amounting Rs.450000/- has been written off during the year as it is not being expected to be realized.

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.22,89,155/- 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.

8. Accounting for Retirement Benefits in Financial Statement Of Employers as per AS 15:

Not applicable to the company since there are No Employees eligible for Retirement Benefits



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9. 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:

Segment Revenue Results and Capital Employed			
(Rs. in Lakhs)			
Sr. No.	Particulars	Year Ended 31.03.2007 Audited	Year Ended 31.03.2006 Audited
1	Segment Revenue		
	Financial	83.68	282.36
	Entertainment	41.73	43.54
	Revenue from operations	125.41	325.90
2	Segment Result		
	Profit (+)/Loss (-) before interest tax		
	Financial	(15.87)	(3.71)
	Entertainment	4.55	7.26
	Total	(11.32)	3.55
	Less: 1) Interest	--	--
	2) Unallocable Exp	1.90	0.84
	Profit before tax	(13.22)	2.71
3	Capital Employed		
	(Segment assets-segment liabilities)		
	Financial	221.73	244.59
	Entertainment	22.16	22.16
	Unallocated	34.67	25.03
	Total	278.56	291.78

10. 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. 1,80,000 /-
		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 part

11. Lease Accounting as per Accounting Standard 19:

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



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12. Earning per Share as per Accounting Standard 20:

The particulars of Basic Earning Per Share are as follows:

	As on 31.03.2007	As on 31.03.2006
Net Profit for the year (Rs.)	(13,22,298)	1,16,890
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)	(0.43)	0.04

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.

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

Not applicable as the Company does not have any subsidiary.

14. 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.

15. 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

16. Deferred Revenue Expenditure:

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

17. 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.

18. 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.



19. 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 31.03.2007	As on 31.03.2006
Debtors considered good in respect of which the Company is fully secured	Nil	Nil
Debtors considered good for which the Company holds no security	1,02,352/-	2,16,828/-
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:** Income Tax authorities has imposed a Penalty of Rs.115198/- vide its Demand Notice dated 29/03/2007 in relation to A.Y. 2002-03 against which Company has filed an appeal. The Company has not created any provision in the accounts & Company has paid Rs 50000/- against the imposed penalty in the F.Y. 2007-08 on 04/04/2007 & remaining have been adjusted against refund due for A.Y 2005-06 relevant to F.Y.2004-05

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

	Bal. As on 31.03.06	Arising during the year	Balance as on 31.03.2007
Deferred Tax Liabilities on account of timing difference in Depreciation	2,99,621	15,058	3,14,679
Deferred tax assets	Nil	Nil	Nil
Net Amount	2,99,621	15,058	3,14,679

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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,



Kirit K. Gada
(Proprietor)
Membership No. 38952



Dinesh Gupta
Managing Director



Surendra Salgia
Director



Satish Kusumbiwal
Jt. Managing Director



K. B. Agarwal
Director

Place : Mumbai
Date : 28/08/2007

Cash Flow Statement annexed to the Balance Sheet for the Year ended 31st March 2007

	31.03.07	Rs. in Lakh 31.03.06	
A. Cashflow from operating Activities:			
Net profit before Tax & extraordinary items	(11.81)		2.71
Adjustment for			
Depreciation	2.43	2.53	
Deferred Exp., Preliminary, & issue Exp. W/off	0.11	0.11	
Investment W/off	4.50	-	
Accrued Interest on FD	0.07	<u>7.11</u>	<u>2.64</u>
	(4.70)	-	5.35
Operating profit before working capital changes			
Adjustment for			
Trade & other receivables	1.15	(1.49)	
Inventories	21.34	37.67	
Loans	11.20	(25.78)	
Trade payable	(1.97)	<u>31.72</u>	<u>4.59</u>
Cash Generated from operations		27.02	9.94
Direct Taxes paid		0.93	0.06
Net cash from operating activities	26.09		9.88
B. Cash Flow from Investing Activities			
Purchase of fixed assets	0.66	(0.34)	
Deferred Exp. On increase in Authorised Capital	-	<u>01.06</u>	
Net Cash used in Investing Activities	0.66		0.72
C. Cash flow from financing Activities			
Proceeds from issue of share capital	-	-	
Dividend paid	-	-	
Proceeds from long term borrowings	-	-	
Repayment of long term borrowings	-	-	
Net cash used in financing activities	-		-
Net increase in Cash & Cash equivalents (A+B+C)	25.43		9.16
Opening balance of cash Equivalents	16.31		7.15
Closing Balance of Cash Equivalents	41.74		16.31

By order of the Board

Mumbai
Dated: 28th August 2007

Dinesh Gupta
Managing Director

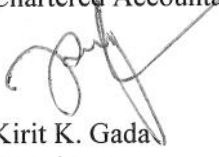
Satish Kusumbiwal
Jt. Managing Director



AUDITORS' REPORT

We have examined the attached Cash Flow Statement of Regal Entertainment & Consultants Limited for the year ended 31st March 2007. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Bombay Stock Exchange 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 2007 to the members of the company.

For K. K. Gada & Co.
Chartered Accountants


Kirit K. Gada
Proprietor



Place: Mumbai

Date: 28th August 2007

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

I. Registration Detail	State Code	11
Registration No.	011-64689	
Balance Sheet Date	31-03-2007	

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

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

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

Total Liabilities	31136	Total Assets	31136
Source of Funds			
Paid-up Capital	30721	Reserve and Surplus	100
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	2811	Investment	NIL
Net Current Assets	25275	Misc. Expenditure	3049
Accumulated Losses	NIL		

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

Turnover	12541	Total Expenditure	13722
+/- Profit/Loss Before Tax	-1181	+/- Profit/Loss After Tax	-1322

(Please appropriate box, + Profit, - Loss)

Earning Per Share in (Rs.)	(0.43)	Dividend Rate %	NIL
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V, Generic Name of Three Principle Products/ Services of Company (As per Monetary Terms

Item Code No.(ITC) Product Description

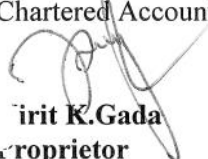
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**ENTERTAINMENT AND
FINANCIAL ADVISORY
SERVICES, DEALING IN SECURITIES**

As per our report of even date attached


For K. K. GADA & CO.

Chartered Accountants


Virit K. Gada
Proprietor




DINESH GUPTA
Managing Director


SURENDRA SALGIA
Director


SATISH KUSUMBIWAL
Jt. Managing Director


K. B. AGARWAL
Director

Place : Mumbai

Date : 28th August 2007