

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	

REGISTERED OFFICE

24, Gunbow Street
Fort, Mumbai – 400 001

BANKERS

Central Bank of India

AUDITORS

Balwant Jain & Co
(Chartered Accountants
Mumbai.

STOCK EXCHANGE

Mumbai , Madras

ANNUAL GENERAL MEETING

Date : Friday, 28th September 2001
Time : 11.30 a.m.
Venue : Bageecha Complex,
Marve Road, Malad (W)
Mumbai – 400 095.

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NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the members of REGAL ENTERTAINMENT AND CONSULTANTS LIMITED will be held on Friday 28th September 2001 at 11.30a.m. at Bageecha Complex, Marve Road, Malad (W), Mumbai - 00 095, to transact the following business:

ORDINARY BUSINESS :

1. To receive consider and adopt the audited Balance Sheet as at and the Profit & Loss Account for the year ended 31st March 2001 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.

By order of the Board



DINESH GUPTA
Managing Director

Place: Mumbai
Date: 27th August 2001

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 Register of Members and the Share Transfer book of the Company will remain closed from, Monday 24th September, 2001 to Friday 28th September, 2001 (both days inclusive).
3. Members are requested to kindly notify any change in their addresses immediately to the Company's Registered Office.
4. 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.
5. Members are requested to kindly bring their copies of the Report and Accounts to the meeting.

By order of the Board



DINESH GUPTA
Managing Director

Place: Mumbai
Date: 27th August 2001

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

CHANGE OF NAME:

During the year the name of the company has been changed to Regal Entertainment and Consultants Limited.

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 2001-2002 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 Balwant Jain & Co, Chartered Accountants, retiring Auditors have informed the Company that being eligible they offer themselves for reappointment.

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.

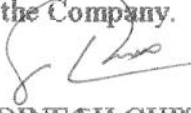
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

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.

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

ACKNOWLEDGEMENT

The Board wishes to express its deep appreciation to all the staff member, Bankers, Shareholders and Clients for their valuable support to the Company.


DINESH GUPTA
Managing Director

By order of the Board


SATISH KUSUMBIWAL
Jt. Managing Director

Place: Mumbai

Date : 27th August, 2001.

Balwant Jain & Co.

CHARTERED ACCOUNTANTS

Balwant V. Jain B. Com., F.C.A., F.C.S.

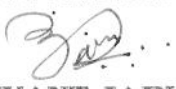
419 / F, Joshiwadi,
2nd Floor, Kalbadevi Road,
Mumbai - 400 002.
Tel.: 208 4231, 209 6685, 201 0626
Mobile : 98210 52878
E-mail : jainbalwant@vsnl.com

AUDITORS REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **REGAL ENTERTAINMENT AND CONSULTANTS LIMITED** as at 31st March 2001 and also the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above we state that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of such books.
 - c) In our opinion, and to the best of our information, the Profit and Loss Account and Balance Sheet have complied with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - d) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - e) On the basis of the written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2001 from being appointed as a Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) Insofar it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March 2001.
And
 - ii) Insofar as it relates to the Profit and Loss Account, of the loss of the company for the year ended on the date.

FOR BALWANT JAIN & CO.
CHARTERED ACCOUNTANT


BALWANT JAIN
Proprietor

Place: Mumbai
Date : 27th August, 2001.

REGAL ENTERTAINMENT AND CONSULTANTS LTD.

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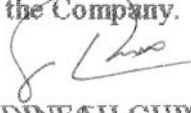
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DINESH GUPTA
Managing Director

By order of the Board


SATISH KUSUMBIWAL
Jt. Managing Director

Place: Mumbai

Date : 27th August, 2001.

Balwant Jain & Co.

CHARTERED ACCOUNTANTS

Balwant V. Jain B. Com., F.C.A., F.C.S.

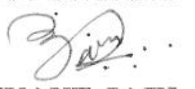
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1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above we state that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of such books.
 - c) In our opinion, and to the best of our information, the Profit and Loss Account and Balance Sheet have complied with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - d) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - e) On the basis of the written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2001 from being appointed as a Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) Insofar it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March 2001.
And
 - ii) Insofar as it relates to the Profit and Loss Account, of the loss of the company for the year ended on the date.

FOR BALWANT JAIN & CO.
CHARTERED ACCOUNTANT


BALWANT JAIN
Proprietor

Place: Mumbai
Date : 27th August, 2001.

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 1 of our Report of even date on the Accounts for the year ended on 31-03-2001.

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Management at the year-end has conducted physical verification of fixed assets and no discrepancy was noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. On the basis of our examination of stock record, we are of the opinion that valuation of the stock of the shares and a security are fair and proper in accordance with the normally accepted accounting principle and is on the same basis as in the preceding year.
4. The company has not taken any loans from companies, firms or other parties as listed in the register maintained under section 301. However we have been informed that there were no Companies under the same management as defined under sub-section (IB) of section 370 of the Companies Act, 1956.
5. The company has not granted any loans and advance in the nature of loans to the companies, firms and other parties listed in the register maintained under section 301. We are informed that there were no companies under the same management as defined under section 370 of the Companies Act, 1956 during the last year.
6. The Company has granted loans and advances in the nature of loans to other parties. The parties are regular in repaying the principal as stipulated and are regular in payment of interest wherever applicable except in the case of loan of Rs. 31,41,139/- on which interest has not been provided.
7. In our opinion and to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of plant and machinery and others assets.
8. The company has not accepted deposits from the public as such the provisions of section 58A of the Companies Act, 1956 and the rules framed there under are not applicable to the company.
9. The company has an internal audit system, which is commensurate with its size and nature of its business.
10. As explained to us the provident fund Act and the Employees State Insurance Act are not applicable to the Company.
11. According to the information and explanations given to us and books and records examined by us, there are no undisputed amounts payable in respect of income tax, sales tax, customs duty, and excise duty outstanding as on the last day of the said accounting year for a period of more than six month from the date they became payable.

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ANNEXURE TO THE AUDITORS REPORT CONTD.

12. As per the information and explanations given to us, no personal expenses of the employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices. The directors have also confirmed that no personal expenses have been charged to revenue account.
13. In relation to the service activities of the company there exists a reasonable internal control system commensurate with the size of the company and the nature of its business.
14. In respect of the company's dealing in shares and others investments proper records have been made there of, and timely entries have been made therein. The investments are held in company's own name except to the extent of exemption granted u/s 49 of the Companies Act 1956.
15. Considering the nature of business being carried on at present by the company and also the nature of matter referred to in various clauses of the Manufacturing and Other Companies (Auditors' Report) Order, 1988 the clause no. 4(A) (iii) (iv) (v) (xi) (xii) (xiv) (xvi) (xx) of paragraph 4A, clause no. (ii) (iii) (iv) of paragraph 4(B), clause (ii) of Paragraph 4(C) and clause (ii) (iii) of paragraph 4(D) are not applicable to the company.

**FOR BALWANT JAIN & Co.
CHARTERED ACCOUNTANTS**




BALWANT JAIN
Proprietor

Place : MUMBAI
Date : 27th August, 2001

REGAL ENTERTAINMENT & CONSULTANTS LIMITED
BALANCE SHEET AS AT MARCH 31, 2001

	SCHEDULE	AS AT 31.03.2001 Rs.	AS AT 31.03.2000 Rs.
SOURCES OF FUNDS			
1) Shareholders' Fund			
Capital	01	30,721,000	30,721,000
Reserves & Surplus	02	524,015	659,164
2) Loan Funds			
Secured Loans		-	-
Unsecured Loans		-	-
TOTAL		31,245,015	31,380,164
APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	03	1,668,350	1,490,958
Less : Depreciation		704,870	562,493
Net Block		963,480	928,465
2. Investments			
	04	450,000	450,000
3. Current Assets, Loans & Advances			
Current Assets	05	11,168,770	10,636,214
Loans & Advances	06	18,552,411	18,736,790
		29,721,181	29,373,005
Less :			
Current Liabilities & Provisions	07	600,567	264,635
Net Current Assets		29,120,614	29,108,370
4. Miscellaneous Expenditure			
Preliminary Expenses		66,742	88,081
Public Issue Expenses		644,179	805,248
(To the extent not written off)			
TOTAL		31,245,015	31,380,164
Significant Accounting Policies	09	-	
Notes on Accounts	10		

As per our report of even date attached
For BALWANT JAIN & CO
Chartered Accountants


(Balwant Jain)
Proprietor

On behalf of the Board
For REGAL ENTERTAINMENT & CONSULTANTS LTD


Director


Director


Director

PLACE : MUMBAI
DATE :

27 AUG 2001

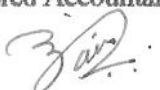
REGAL ENTERTAINMENT & CONSULTANTS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2001**

	SCHEDULE	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
INCOME			
Sale of Shares/Securities		73,575	354,619
Closing Stock of Shares/Securities		8,921,285	8,976,013
Dividend		22,189	40,455
Interest		1,313,096	1,203,458
(TDS Rs. 1,51,931/- Previous- Year Rs. 2,00,317/-)			
Financial Advisory Services		51,000	280,000
Other Income		18,176	156,128
TOTAL		10,399,321	11,010,673
EXPENDITURE			
Opening stock of Shares/ Securities		8,976,013	8,088,305
Purchase of Shares/Securities		-	1,165,013
Office and Adm. Expenses	8	1,394,742	1,556,895
Depreciation		142,377	127,813
Preliminary Exp. W/O		21,339	21,339
TOTAL		10,534,471	10,959,365
PROFIT BEFORE TAXATION		(135,149)	51,309
Provision for taxation		-	40,000
Profit after taxation		(135,149)	11,309
Balance brought forward		559,164	547,855
AMOUNT AVAILABLE FOR APPROPRIATION		424,015	559,164
Carried forward to Balance Sheet		424,015	559,164
Significant Accounting Policies	09		
Notes on Accounts	10		

As per our report of even date attached

On behalf of the Board

For **BALWANT JAIN & CO**
Chartered Accountants


(Balwant Jain)
Proprietor

For **REGAL ENTERTAINMENT & CONSULTANTS LTD**


Director


Director


Director

PLACE : MUMBAI

DATE :

27 AUG 2001

REGAL ENTERTAINMENT & CONSULTANTS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2001

	AS AT 31.03.2001 Rs.	AS AT 31.03.2000 Rs.
SCHEDULE "01"		
SHARE CAPITAL		
AUTHORISED CAPITAL		
35,00,000 Equity Shares of Rs. 10 each	35,000,000	35,000,000
TOTAL	35,000,000	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	424,015	559,164
TOTAL	524,015	659,164

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REGAL ENTERTAINMENT & CONSULTANTS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2001

	AS AT 31.03.2001 Rs.	AS AT 31.03.2000 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	1,116,331	899,977
Receivables (Unsecured considered good)		
Outstanding for more than 6 Months	73,439	75,073
others	-	216,869
Bank Balance with scheduled banks on Current Account	456,681	468,282
on Fixed Deposit	601,035	-
Stock in trade (Shares & Securities)	8,921,285	8,976,013
TOTAL	11,168,770	10,636,214
SCHEDULE "06:"		
LOANS AND ADVANCES		
Deposits	267,500	267,500
Loans to others	11,633,039	11,058,610
Advance Tax & T.D.S.	927,185	773,274
Advances Recoverable in cash or kind for the value to be received	5,724,687	6,637,407
TOTAL	18,552,411	18,736,790
SCHEDULE "07"		
CURRENT LIABILITIES		
Creditors	17,660	46,556
Advance for services	200,000	-
Advance for Car Sell	200,000	-
Other Liabilities	67,907	103,079
	485,567	149,635
PROVISIONS		
Provision for taxation	115,000	115,000
TOTAL	600,567	264,635

REGAL ENTERTAINMENT & CONSULTANTS LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year ended 31.03.2001 Rs.	Year ended 31.03.2000 Rs.
SCHEDULE "08"		
OFFICE AND ADMINISTRATION EXPENSES		
Salaries, Bonus & Allowance	606,305	609,480
Staff Welfare Expenses	728	681
Conveyance & Travelling Exp.	107,066	133,971
Printing & Stationery	19,107	23,811
Telephone Exp.	80,062	51,800
Postage & Courier	8,100	11,432
Office Compensation Charges	109,000	165,000
A.G.M. Exp.	2,500	2,500
Bank Charges	2,026	1,508
Books & Periodicals	297	350
Auditor's Remuneration	10,000	30,000
Listing Fee	33,100	35,500
Charges For A.C.	-	-
Entertainment Exp.	1,750	11,648
Donation	5,000	-
Interest Tax	80,903	36,960
Insurance	10,418	11,884
Advertisement Exp.	12,006	31,281
Service Tax	500	1,500
Bad Debts	110,745	198,381
Repair & Maintenance :		
Plant & Machinery	15,017	10,000
Legal & Professional charges	3,025	9,325
Membership & Subscription	9,792	4,808
Debit Balances W/O	263	1,976
Public Issue Expenses	161,069	161,069
Miscellaneous Expenses	5,964	12,031
TOTAL	1,394,742	1,556,895

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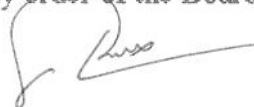
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1. To receive consider and adopt the audited Balance Sheet as at and the Profit & Loss Account for the year ended 31st March 2001 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dinesh Gupta who retires 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.

By order of the Board



DINESH GUPTA
Managing Director

Place: Mumbai
Date: 27th August 2001

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 Register of Members and the Share Transfer book of the Company will remain closed from, Monday 24th September, 2001 to Friday 28th September, 2001 (both days inclusive).
3. Members are requested to kindly notify any change in their addresses immediately to the Company's Registered Office.
4. 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.
5. Members are requested to kindly bring their copies of the Report and Accounts to the meeting.

By order of the Board



DINESH GUPTA
Managing Director

Place: Mumbai
Date: 27th August 2001

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

CHANGE OF NAME:

During the year the name of the company has been changed to Regal Entertainment and Consultants Limited.

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 2001-2002 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 Balwant Jain & Co, Chartered Accountants, retiring Auditors have informed the Company that being eligible they offer themselves for reappointment.

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.

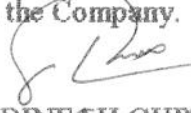
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

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.

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

ACKNOWLEDGEMENT

The Board wishes to express its deep appreciation to all the staff member, Bankers, Shareholders and Clients for their valuable support to the Company.


DINESH GUPTA
Managing Director

By order of the Board


SATISH KUSUMBIWAL
Jt. Managing Director

Place: Mumbai

Date : 27th August, 2001.

Balwant Jain & Co.

CHARTERED ACCOUNTANTS

Balwant V. Jain B. Com., F.C.A., F.C.S.

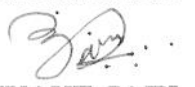
419 / F, Joshiwadi,
2nd Floor, Kalbadevi Road,
Mumbai - 400 002.
Tel.: 208 4231, 209 6685, 201 0626
Mobile : 98210 52878
E-mail : jainbalwant@vsnl.com

AUDITORS REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **REGAL ENTERTAINMENT AND CONSULTANTS LIMITED** as at 31st March 2001 and also the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above we state that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of such books.
 - c) In our opinion, and to the best of our information, the Profit and Loss Account and Balance Sheet have complied with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - d) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - e) On the basis of the written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2001 from being appointed as a Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) Insofar it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March 2001.
And
 - ii) Insofar as it relates to the Profit and Loss Account, of the loss of the company for the year ended on the date.

FOR BALWANT JAIN & CO.
CHARTERED ACCOUNTANT


BALWANT JAIN
Proprietor

Place: Mumbai
Date : 27th August, 2001.

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 1 of our Report of even date on the Accounts for the year ended on 31-03-2001.

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Management at the year-end has conducted physical verification of fixed assets and no discrepancy was noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. On the basis of our examination of stock record, we are of the opinion that valuation of the stock of the shares and a security are fair and proper in accordance with the normally accepted accounting principle and is on the same basis as in the preceding year.
4. The company has not taken any loans from companies, firms or other parties as listed in the register maintained under section 301. However we have been informed that there were no Companies under the same management as defined under sub-section (IB) of section 370 of the Companies Act, 1956.
5. The company has not granted any loans and advance in the nature of loans to the companies, firms and other parties listed in the register maintained under section 301. We are informed that there were no companies under the same management as defined under section 370 of the Companies Act, 1956 during the last year.
6. The Company has granted loans and advances in the nature of loans to other parties. The parties are regular in repaying the principal as stipulated and are regular in payment of interest wherever applicable except in the case of loan of Rs. 31,41,139/- on which interest has not been provided.
7. In our opinion and to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of plant and machinery and others assets.
8. The company has not accepted deposits from the public as such the provisions of section 58A of the Companies Act, 1956 and the rules framed there under are not applicable to the company.
9. The company has an internal audit system, which is commensurate with its size and nature of its business.
10. As explained to us the provident fund Act and the Employees State Insurance Act are not applicable to the Company.
11. According to the information and explanations given to us and books and records examined by us, there are no undisputed amounts payable in respect of income tax, sales tax, customs duty, and excise duty outstanding as on the last day of the said accounting year for a period of more than six month from the date they became payable.

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ANNEXURE TO THE AUDITORS REPORT CONTD.

12. As per the information and explanations given to us, no personal expenses of the employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices. The directors have also confirmed that no personal expenses have been charged to revenue account.
13. In relation to the service activities of the company there exists a reasonable internal control system commensurate with the size of the company and the nature of its business.
14. In respect of the company's dealing in shares and others investments proper records have been made there of, and timely entries have been made therein. The investments are held in company's own name except to the extent of exemption granted u/s 49 of the Companies Act 1956.
15. Considering the nature of business being carried on at present by the company and also the nature of matter referred to in various clauses of the Manufacturing and Other Companies (Auditors' Report) Order, 1988 the clause no. 4(A) (iii) (iv) (v) (xi) (xii) (xiv) (xvi) (xx) of paragraph 4A, clause no. (ii) (iii) (iv) of paragraph 4(B), clause (ii) of Paragraph 4(C) and clause (ii) (iii) of paragraph 4(D) are not applicable to the company.

FOR BALWANT JAIN & Co.
CHARTERED ACCOUNTANTS



BALWANT JAIN
Proprietor

Place : MUMBAI
Date : 27th August, 2001