

SAURABH S. SHAH & CO.

CHARTERED ACCOUNTANTS

1311 DALAMAL TOWER 211 NARIMAN POINT MUMBAI 400021 TEL : 285 5770

AUDITORS' REPORT TO THE SHAREHOLDERS

To,
The Members
ALNA TRADING AND EXPORTS LIMITED

We have audited the attached Balance Sheet of ALNA TRADING AND EXPORTS LIMITED as at 31st March 1998 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and report that

1. As required by the Manufacturing and Other Companies (Auditors' 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 Paragraphs 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 information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper Books of Account as required by law have been kept by the Company, so far as appears from our examination of the Books of the Company.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - d) 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 present a true and fair view
 - i). in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March 1998 and,
 - ii) in so far as it relates to the Profit and Loss Account of the Profit of the Company for the year ended on that date.

For SAURABH S. SHAH & CO.
Chartered Accountants



S. S. SHAH
Proprietor

Place : Mumbai
Dated : 29 th June 1998.

SAURABH S. SHAH & CO.
CHARTERED ACCOUNTANTS

Continuation sheet No 1

ANNEXURE TO AUDITORS' REPORT

RE: ALNA TRADING AND EXPORTS LIMITED

REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE


1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets to the extent possible. As explained to us, the fixed assets have been physically verified by the Management at the end of the accounting year and no material discrepancies were noticed on such physical verification as compared to the books records. In our opinion the frequency of such verification is reasonable, having regard to the size of the Company and nature of its assets.
2. None of the fixed assets have been revalued during the year.
3. As Company does not have any opening or closing inventory and hence Clause (iii), (iv), (v) and (vi) and of the said Order are not applicable.
4. The Company has not taken loans from companies, firms or other parties as listed in the register maintained under Section 301 or from companies under the same management, as defined under sub-section (1-B) of section 370 of the Companies Act, 1956.
5. The Company has not granted any loans or advances in the nature of loans to companies, firms or other parties as listed in the register maintained under Section 301 or to the Companies under same management as defined under Section 370 (1-B) of the companies Act, 1956.
6. The Company has not given any loans or advances in the nature of loans, hence question of repayment does not arise.
7. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase and sale of plant and machinery, equipments and other assets.
8. In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- (Rupees Fifty thousand only) or more in respect of any party.
9. Company does not have any unserviceable stores, raw materials or finished goods.
10. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as defined under section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
11. The company does not have a formal internal audit system. However, its internal control procedure involve a regular checking of records.
12. According to the information and explanation given to us, Company has no by-products.

SAURABH S. SHAH & CO.
CHARTERED ACCOUNTANTS

Continuation sheet no. 1

13. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
14. According to the records of the Company, employees state insurance and provident fund dues have been regularly deposited with the appropriate authorities.
15. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at 31st March, 1998 for a period of more than six months from the date they became payable.
16. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- INV. 17. The Company is not a sick industrial Company within the meaning of Clause (o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
18. As the Company has no goods at the end of the year, the question of identifying damaged goods does not arise.
19. In respect of the service activities of the Company, we have been informed that there is a reasonable system of recording receipts, issues and consumption of materials and stores commensurate with the size of the Company and the nature of its business. As explained to us, since the services are rendered to just one customer, the need of allocating man-hours and materials to different jobs does not arise.

For SAURABH S. SHAH & CO.
Chartered Accountants


S. S. SHAH
Proprietor

Place : Mumbai
Dated : 29 th June 1998.

ALNA TRADING AND EXPORTS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 1998

		SCHEDULE AS AT 31ST MARCH 1998		AS AT 31ST MARCH 1997	
SOURCES OF FUNDS:		Rs.	Rs.	Rs.	Rs.
Share Capital	A	2000000		2000000	
Reserves and Surplus	B	2948433	4948433	2765955	4765955
			4948433		4765955
APPLICATION OF FUNDS:					
FIXED ASSETS:					
Gross Block		6720945		7291553	
Less: Depreciation		2716452		2369140	
Net Block			4004493		4922413
INVESTMENTS	D		1386438		1386438
CURRENT ASSETS, LOANS AND ADVANCES:					
Current Assets:					
Interest Accrued on Investments		130759		4834	
Sundry Debtors		389771		2513191	
Cash and Bank Balances		5794841		281764	
		6315371		2799789	
Loans and Advances		610319		1049071	
		6925690		3848860	
LESS: CURRENT LIABILITIES AND PROVISIONS:					
Current Liabilities		7092188		4701756	
Provisions		276000		690000	
		7368188		5391756	
NET CURRENT ASSETS			(442498)		(1542896)
			4948433		4765955

NOTES TO ACCOUNTS J

As per our Report of even date.
For SAURABH S. SHAH & CO.
Chartered Accountants.

S.S. Shah

S.S. Shah
Proprietor
Mumbai:

Dated : 2.9 JUN 1998



G.P. Shah

MJP
Director

Mumbai:
Dated : 2.9 JUN 1998

G.P. Shah
Director

ALNA TRADING AND EXPORTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1998.

SCHEDULE	For the year ended 31st March 1998		For the year ended 31st March 1997	
	Rs.	Rs.	Rs.	Rs.
INCOME:				
Sales	789600		7431390	
Processing Income (TDS NIL Previous year Rs.15570).	1554915		676943	
Other Income	517382		82440	
		2861897		8190773
EXPENDITURE:				
Purchases	510000		0	
Manufacturing and Other Expenses	1667728		7537638	
Selling & Distribution	35641		0	
Depreciation	453483		540629	
		2666852		8078267
Profit before Taxation		195045		112506
Less: Provision for Taxation		11000		40000
Profit After Taxation		184045		72506
Less: Short Provision for Taxation of earlier years		1567		0
Add : Balance as per last Balance Sheet		2215745		2143239
Balance carried over to Balance Sheet		2398223		2215745

NOTES TO ACCOUNTS

J

As per our Report of even date.
For SAURABH S. SHAH & CO.
Chartered Accountants.

S.S. Shah
S.S. Shah
Proprietor
Mumbai:

Dated : 2.9 JUN 1998



G.P. Shah

MJP
Director
Mumbai:

Dated : 2.9 JUN 1998

G.P. Shah
Director

SCHEDULE 'A' TO 'J' ANNEXED TO AND FORMING PART OF
THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1998.

	AS AT 31ST MARCH 1998	AS AT 31ST MARCH 1997
	Rs.	Rs.
SCHEDULE 'A':		
SHARE CAPITAL:		
Authorised:		
250000 Equity Shares of Rs. 10/- each.	2500000	2500000
250000 Unclassified shares of Rs. 10/- each.	2500000	2500000
	=====	=====
	5000000	5000000
	=====	=====
Issued, Subscribed and paid up:		
200000 Equity Shares of Rs. 10/- each fully paid up.	2000000	2000000
	=====	=====

SCHEDULE 'B':

RESERVES AND SURPLUS:

CAPITAL RESERVE:

Subsidy Received :

As per last balance sheet	550210	550210
Profit and Loss Account	2398223	2215745
	=====	=====
	2948433	2765955
	=====	=====



FIXED ASSETS:

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	Cost as at 01.04.97	Deduc- tion	As on 31.3.98	Upto 01.04.97	For the Year	Deduc- tion	Total upto 31.3.98	As at 31.03.98	As at 31.3.97
Land	420277	185439	234838	-	-	-	-	234838	420277
Building	5444850	385169	5059681	1770398	339545	106171	2003772	3055909	3674452
Plant and Machinery	493242	-	493242	208714	39578	-	248292	244950	284528
Factory Equipments	624378	-	624378	248016	49680	-	297696	326682	376362
Electrical Fittings	224446	-	224446	92413	18366	-	110779	113667	132033
Office Equipments	27856	-	27856	17614	1425	-	19039	8817	10242
Furniture and Fixtures	40173	-	40173	21437	3391	-	24828	15345	18736
Hero Puck	14916	-	14916	9634	1368	-	11002	3914	5282
Cycle	1415	-	1415	914	130	-	1044	371	501
Total Rs.	7291553	570608	6720945	2369140	453483	106171	2716452	4004493	4922413
Previous year.	7291553	-	7291553	1828511	540629	-	2369140	4922413	-

