

**M/S AMRAPALI INDUSTRIES LTD.
AUDITED ACCOUNTS
FOR THE ASSESSMENT YEAR
2004-2005**

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*** AUDITORS***
S.P.THAKKER & ASSOCIATES
CHARTERED ACCOUNTANTS
2ND FLOOR, ASHA COMPLEX,
NAVRANGPURA,
AHMEDABAD-380014
PHONE NO

FORM NO. 3CA
[SEE RULE 6G(1)(a)]

AUDIT REPORT UNDER SECTION 44AB OF THE INCOME TAX ACT, 1961, IN A CASE WHERE THE ACCOUNTS OF THE BUSINESS OR PROFESSION OF A PERSON HAVE BEEN AUDITED UNDER ANY OTHER LAW.

1. We report that the statutory audit of M/S. AMRAPALI INDUSTRIES LIMITED, 19-21, NARAYANA CHAMBERS, B/H. PATANG HOTEL, ASHRAM ROAD, AHMEDABAD, PERMANENT ACCOUNT NO : AABCA 8337 J was conducted by M/s. S.P. THAKKER & ASSOCIATES in pursuance of the provisions of the Companies Act, 1956, and we annex hereto a copy of our audit report dated 02.07.04 along with a copy each of -

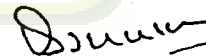
(a) the audited profit and loss account for the year ended on 31st March, 2004;

(b) the audited balance-sheet as at 31st March 2004; and

(c) documents declared by the said Act to be part of, or annexed to the profit and loss account and balance sheet.

2. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form no. 3CD.

3. In our opinion and to the best of our information and according to explanations given to me, the particulars given in the said Form No. 3CD are true and correct.



SIGNED

NAME : S.P. THAKKER

ADDRESS : 2ND FLOOR, ASHA COMPLEX, NR. SHRIJI
BAUG FLATS, NAVRANGPURA, A'BAD- 9.

PLACE : AHMEDABAD

DATE : 02.07.04

S.P. THAKKER & ASSOCIATES
CHARTERED ACCOUNTANTS

2ND FLOOR, ASHA COMPLEX,
NAVRANGPURA, AHMEDABAD-9

AUDITOR'S REPORT

To
The
Members of
AMRAPALI INDUSTRIES LIMITED
AHMEDABAD

1. We have audited the attached Balance Sheet of M/S. AMRAPALI INDUSTRIES LIMITED, AHMEDABAD, as at 31st March, 2004 and also the profit and loss account for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in Annexure - A a statement on the matter specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report 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, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of books;
 - (c) the balance sheet and the profit and loss Account referred to in this report are in agreement with the books of accounts;
 - (d) in our opinion, the profit and loss account and balance sheet comply with the accounting standards referred in section 211(3C) of the Companies Act, 1956 subject to note No.3 of part A of Schedule-21.
 - (e) on the basis of written representations received from the directors of the company as at 31st March 2004 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub-section (1) of the 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 subject to note no.3 of Part (A) of Schedule 21 regarding depreciation on Investments, give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view :

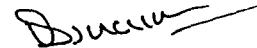
(i) in the case of Balance Sheet, of the state of the affairs of the company as on 31st March, 2004 and

(ii) in the case of Profit and Loss Account, of the profit for the year ended on that date.

PLACE : AHMEDABAD

DATE : 02.07.2004

For, S.P. THAKKER & ASSOCIATES
CHARTERED ACCOUNTANTS



(S.P. THAKKER)
PROPRIETOR

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ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The company has not disposed of a substantial part of fixed assets during the previous year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of company and the nature of its business.
- (c) The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, 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.
- (iv) 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 purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) According to the information and explanation given to us, the company has not indulged into the transactions which need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (vi) The company has not accepted any deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) In our opinion, the company is not required to maintain cost records as per the provisions of section 209(1) (d). Accordingly, the provisions of clause 4(vii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (ix) (a) According to the records of the company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom tax, excise duty, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, there are no dues of, wealth tax, sales tax, custom duty, excise duty and cess which have not been deposited on account any dispute.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or banks.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion and according to explanations given to us, the clause no. (xiv) of Companies (Auditor's Report) Order, 2003 is not applicable to company.
- (xv) According to the information and explanations given to us, the company had not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) The company had not raised any term loans during the financial year, hence clause no.(xvi) of Companies (Auditor's Report) Order, 2003 is not applicable to company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised, if any, on short-term basis have been used for long-term investment and no long-term funds raised, if any, have been used to finance short-term assets.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956
- (xix) No debentures have been issued by the Company and hence the question of creating securities in respect thereof does not arise.
- (xx) During the year, the company has not raised money by public issue and hence question of disclosure and verification of end use of such monies does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place: AHMEDABAD

DATE : 02.07.2004

For, S. P. THAKKER & ASSOCIATES
CHARTERED ACCOUNTANTS


(S.P. THAKKER)
PROPRIETOR

