RAMESH C SHARMA & CO.
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

To
The Shareholders
CURE SPECTS LASER LTD.,

We have audited the attached Balance Sheet of CURE SPECTS LASER LTD.,as at 31st March, 1999 together with the Profit and Loss Account of the company for the year ended on that date report that :

(1) As required by the manufacturing and other companies(Auditor's Report)order,1988 issued by the central government in terms of Section 227 (4A) of the companies Act,1956,We give in the Annexure a statment on the matters specified in paragraph 4 and 5 of the said order, to the extent applicable to the company.

(2) Further to our comments in the Annexture referred to in paragraph 1 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 ofthe 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 the books.

(c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

(d) The company has granted unsecured loans amounting Rs.5.11,88,944.00 and taken unsecured loans amounting Rs.77,11,200.00 both without interest. The terms and conditions of such loans are not expalained to us.

(e) No provision for Income Tax has been made during the year.

(f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view Subject to (d) & (e) above.

i)In the case of the Balance Sheet of the state of affairs ofthe Company as at 31st March, 1999; and

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

PLACE : AHMEDABAD
DATE : 05.08.99

FOR, RAMESH C SHARMA & CO.
CHARTERED ACCOUNTANTS,

RAMESH C SHARMA
PROPRIETOR.

RAMESH C. SHARMA & CO. Chartered Accountants AHMEDABAD

ANNEXURE TO THE AUDITORS' REPORT
(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. Physical verification of all the assets has been carried out at the year end by the management and in our opinion it is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on verification.

(2) None of the fixed assets have been revalued during the year.

(3) The stock of Intra Ocular Lenses, Medical Items and Medicines have been physically verified during the year by the management at reasonable intrvals In our opinion, the frequency of verification is reasonable.

(4) According to the information and explanation given to us, in our opinion The procedure of physical verification of stocks followed by the management are reasonable and adequate considering the size of the company and its nature of bussiness.

(5) We are informed that no material discripancies have been noticed on physical verification of stock as compared to books of accounts.

(6) On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles,and is on the same basis as in the preceding year.

(7) According to the information given to us, the company has not, during the year, taken/granted loans, secured or unsecured, from/to Companies, firms or other parties listed in Register maintained under section 301 ofthe Companies Act,1956. We are informed that the company has not has not taken/granted ~~any loan~~, from/to the companies under the same management within the meaning of Section 370(1B) of the Companies act,1956.

(8) The parties to whom loans or advances in the nature of loans have been given by the company,no interest has been chargedthere upon and repayment of the same are not regular. However it was informed tous that reasonable steps have been taken for recovery.

(09) In our opinion and according to the information and explanations given to us,there are adequate internal controlprocedure commensurate with the size of the company and the nature of its business with regard to the purchase ofIntra Ocular Lense, Medical Items, Medicines, Plant and Machinary and other assets and with regard to the Medical receipt.

According to the information and explanations given to us,no transactions of purchase of goods and materials and sale of the goods, materials and services have been made in pursuance of contracts or arrangements entered in the register maintained u/s. 301 of the companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party.

(11) The Company has not accepted any deposit from public.

(12) In our opinion, the Company has no seprate internal audit system. However in our opinion the existing internal control procedures are sufficiant considering the size and nature of the business of the company.

(13) The maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act,1956 for the year under report.

(14) According to the explanation given to us,Employees Provident Fund Act and Employees State Insurance Act have not been applicable to the company.

(15) According to the information and explanations given to us, therewere no undisputed outstanding in respect of Income Tax,Sale Tax and Excise Duty as at the last day of the financial year, for a period more than 6 month from the date they became payable.

(16) According to the information and explanations given to us no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.

(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 expalin to us for the company's service activity there is no significant requirement of materials or stores.

(19) The company has a reosnable system of billing for labour at predetermind rates per job and does not allocable actual man houres utilieses to the relative job.

For, RAMESH C SHARMA & CO.
CHARTERED ACCOUNTANTS,

RSharma

PLACE : AHMEDABAD.
DATE : 05.08.99

RAMESH C SHARMA
PROPRIETOR.

RAMESH C. SHARMA AHMEDABAD

CURE SPECTS LASER LTD.
'amhita House, Above Bank Of India,
Ashram Road, Ahmedabad 380009.

BALANCE SHEET AS AT 31ST MARCH, 1999.

	PARTICULARS	SCHEDULE	31-03-99 RS.	31-03-98 RS.
I	SOURCES OF FUNDS			
1	SHAREHOLSERS' FUNDS			
	a) CAPITAL	1	6,37,00,000.00	6,37,00,000.00
2	LOAN FUNDS			
	a) SECURED LOAN		---	---
	b) UNSECURED LOAN	2	77,11,200.00	82,11,200.00
	TOTAL		7,14,11,200.00	7,19,11,200.00
II	APPLICATION OF FUNDS			
1	FIXED ASSETS	3		
	a) GROSS BLOCK		1,86,43,298.00	1,86,39,698.00
	b) LESS : DEPRECIATION		27,93,759.00	19,66,619.00
	c) NET BLOCK		1,58,49,539.00	1,66,73,079.00
2	INVESTMENTS		---	---
3	CURRENT ASSETS,LOANS & ADVANCES			
	a) INVENTORIES	4	2,100.00	45,000.00
	b) SUNDRY DEBTORS		---	---
	c) CASH AND BANK BALANCE	5	28,40,422.48	19,61,122.73
	d) LOANS AND ADVANCES	6	5,11,88,944.00	5,07,05,487.25
			5,40,31,466.48	5,27,11,609.98
4	LESS : CURRENT LIABILITIES & PROVISIONS	7	4,43,905.24	3,83,090.75
5	NET CURRENT ASSETS		5,35,87,561.24	5,23,28,519.23

RAMESH C. SHAH & CO. AHMEDABAD CHARTERED ACCOUNTANTS

CURE SPECTS LASER LTD.
BALANCE SHEET AS AT 31ST MARCH, 1999.

	PARTICULARS	SCHEDULE	31-03-99 RS.	31-03-98 RS.
6	MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF	8	16,06,423.40	19,06,810.40
7	PROFIT & LOSS ACCOUNT	9	3,67,676.36	10,02,791.37
			7,14,11,200.00	7,19,11,200.00
	NOTES FORMING PARTS OF ACCOUNTS	15		

AS PER OUR REPORT OF EVEN DATE ATTACHED HEREWITH.

FOR,RAMESH C SHARMA & CO.
CHARTERED ACCOUNTANTS

RAMESH C SHARMA
PROPRIETOR

FOR CURE SPECTS LASER LTD.

(DIRECTOR) (DIRECTOR)

PLACE : AHMEDABAD.

DATE : 05.08.99

PLACE : AHMEDABAD.

DATE : 05.08.99