

Dharnendra Agro food Inds. LtdBHARAT PARIKH & ASSOCIATES
Chartered Accountants

509, Shriram Chambers, R. C. Dutt Road, Alkapuri, Vadodra-390 001.

AUDITOR'S REPORT TO THE MEMBERS 31 Mar - 2003

WE HAVE AUDITED THE ATTACHED BALANCE SHEET OF M/S. DHARNENDRA AGRO FOOD INDUSTRIES LIMITED AS AT 31ST MARCH, 2003 AND ALSO THE ATTACHED PROFIT AND LOSS ACCOUNT OF THE COMPANY FOR THE YEAR ENDED ON THAT DATE ANNEXED THERTO AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED ON THAT DATE. THESE FINANCIAL STATEMENTS ARE THE RESPONSIBILITY OF THE MANAGEMENT OF THE COMPANY. OUR RESPONSIBILITY IS TO EXPRESS AN OPINION ON THESE FINANCIAL STATEMENTS BASED ON OUR AUDIT.

We have conducted our audit in accordance with 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 supports 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 presentation of the statements. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 2000 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order. 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.
2. Further to our comments in the Annexure 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 of our audit.
 - (B) In our proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books of accounts for the purpose of our audit except for matters referred in above paragraphs and Notes of the Accounts.
 - (C) The Balance Sheets referred to in this report is in agreement with the Books of Accounts.
 - (D) In our opinion the Balance Sheets and Profit & Loss Accounts comply with the accounting standards referred to in sub-sections (3C) of sections 211 of the companies Act, 1956, to the extent applicable, except note No. 2 of Schedule - 22 relating to retirement benefits (Accounting Standards -15) and note No. 3 relating to Accounting for Taxes (Accounting Standard-22). The said Balance Sheet and Profit & Loss Account are in agreements with the Books of Accounts.

FOR DHARNENDRA Agro Food Inds. Ltd.

Director



BHARAT PARIKH & ASSOCIATES
Chartered Accountants

509, Shriram Chambers, R. C. Dutt Road, Alkapuri, Vadodara-390 007.

(E) On the basis of our review of the confirmations received from the companies in which the Directors of the Company are Directors and the information and explanation given to us, all the Directors of the company is prime facie as at 31st March 2003 disqualified from being appointed as a Director as per terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

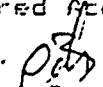
(f) In our opinion and to the best of our information and according to the explanation given to us, and subject to our observation stated above the said Balance Sheet and Profit & Loss Account read together with notes there on give the information required by the companies Act, 1956 in the manner so required and give a true and fair view.

1. Note no. 2 of schedule-22 relating to retirement benefits which are accounted for on payment basis. The extent of non-compliance in value terms is not ascertainable.

2. Note no. 3 relating to non-provision of deferred tax as per the Accounting Standards-22, the amount is not ascertainable.

the said accounts read together with notes on accounts, give the information required by the companies Act, 1956 in the manner so required and the Balance Sheet gives true and fair view of the state of Company's affairs as at 31st March 2003, the Profit & Loss Accounts gives a true and fair view of the loss for the year ended on that date and cash flow statement true and fair view of the cash flows of the company on that date.


For BHARAT PARIKH & ASSOCIATES
Chartered Accountants


(Bharat Parikh)
Partner



Place : Vadodara

Date : 11/9/03

For DHARMENDRA Agro Food Ind. Ltd.

Director