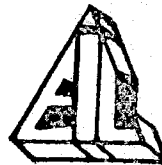
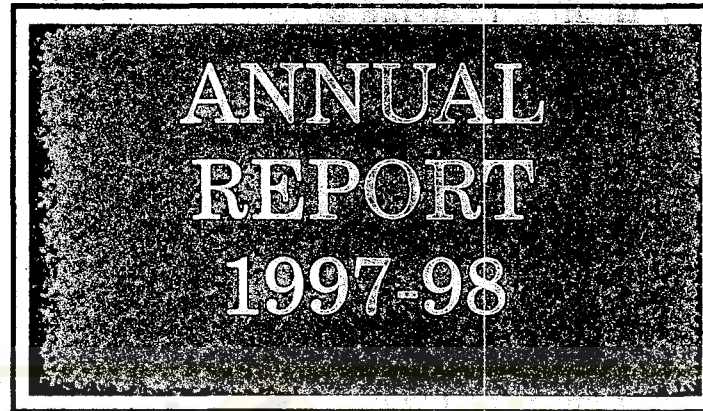


CERTIFIED TRUE COPY.

For ENTERPRISE INTERNATIONAL LTD.

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		

Director



ENTERPRISE INTERNATIONAL LTD.

BOARD OF DIRECTORS

Mr. GOPAL DAS SARDA - Chairman
Mr. BIJOY KUMAR SARDA
Mr. BIMAN CHATTERJEE

Company Secretary

Mr. GOPAL AGARWAL

Auditors

M/S. K.M. TAPURIAH & CO.
Chartered Accountants

Bankers

BANK OF INDIA
STATE BANK OF INDIA

Registered Office

"Sarda House"
61, Jatindra Mohan Avenue,
Calcutta - 700 005

Corporate Office

"Amar Sudha Building",
3rd Floor
5A/1A, Lord Sinha Raod,
Caclutta - 700 071

NOTICE TO THE MEMBERS :

NOTICE is hereby given that the 9th Annual General Meeting of the Company will be held at BIRLA PLANETARIUM HALL, M.P. Birla Planetarium, 96, Jawaharlal Nehru Road, Calcutta - 700 071 on Tuesday, the 22nd September, 1998 at 10.00 A.M. to transact the following business :

- 1) To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 1998 and the Report of Directors and the Auditors thereon.
- 2) To Appoint a Director in place of Mr. Gopal Das Sarda who retires by rotation and being eligible offers himself for re-appointment.
- 3) To Appoint Auditors and to fix their remuneration.
- 4) To consider and if thought fit, to pass the following Resolution which will be proposed as a Special Resolution :

"RESOLVED that in accordance with the provisions of Section 370 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to all such approvals as may be necessary in that behalf, consent of the Company be and is hereby accorded to the Board of Directors of the Company -

- (a) to make from time to time any loans / advances / deposits / to any body or bodies corporate whether or not under the same management as the Company, in excess of the limits prescribed under Section 370 of the Companies Act, 1956 provided that the aggregate of all the loans / advances / deposits / made and /or to be made to all the bodies corporate shall not at any time exceed Rs. 500 lakhs ".

"RESOLVED further that the Company hereby rectify, confirm and approve the loans / securities made/ given in the manner aforesaid by the Board of Directors, from time to time, and to settle any question or doubt that may arise in relation thereto and to do all such acts and things as may be in the best interest of the Company".

Regd. Office :
61, Jatindra Mohan Avenue
CALCUTTA - 700 005

By order of the Board
for ENTERPRISE INTERNATIONAL LTD.

G.D.SARDA
Chairman

Dated : 30th June, 1998

Notes :

- 1) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead himself/herself and the proxy need not be a member of the Company. The Proxy in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The Register of Members and Share Transfer Register will remain closed from Monday, the 7th September, 1998 to 22nd September, 1998 (Both days inclusive), in connection with Annual General Meeting of the Company.
- 3) Members are requested to intimate to the Company queries, if any, regarding these accounts at least 7 (Seven) days before the meeting to enable the Management to keep the information ready at the meeting.
- 4) Members who have not encashed dividend warrants for the Financial Year 1994-95 may approach the Company's Registered Office for validating the warrants or for obtaining duplicate warrants. The unpaid dividend for Financial Year 1994-95 will be transferred to the credit of Central Government on 02.10.1998.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956.

Item No. 4

There arise occasions when surplus funds lying idle with the Company should be suitably utilised to the advantage of the Company by way of advances /loans / deposits earning interest for the Company in the course of its business.

Section 370 of the Companies Act, 1956 requires a Special Resolution to be passed at a General Meeting authorising its Directors to make loans or to give guarantees or provide Securities in excess of the respective limits set out in the Section. In certain cases Central Government's approval is also necessary.

It is in the above circumstances that the Resolution as mentioned in this item of the Notice is proposed to be passed and commended for your acceptance.

None of the Directors of the Company is concerned or interested in the Resolution.

Regd. Office :
61, Jatindra Mohan Avenue
CALCUTTA - 700 005

By order of the Board
for **ENTERPRISE INTERNATIONAL LTD.**

G.D.SARDA
Chairman

Dated : 30th June, 1998

DIRECTOR'S REPORT TO THE MEMBERS :

Your Directors submit the Ninth Annual Report of your Company together with Audited Balance Sheet as at 31st March, 1998 and the profit & loss Account for the year ended 31st March, 1998.

	Year ended	(Rupees in Lacs) Year ended
1. FINANCIAL RESULTS:	<u>31.03.98</u>	<u>31.03.97</u>
Net Sales	142.85	683.78
Profit/(Loss) before interest & Depreciation	(5.43)	51.02
Less: Interest	0.39	14.89
Profit/(Loss) before Depreciation	(5.82)	36.13
Less: Depreciation	1.60	2.23
Profit/(Loss) before Tax	(7.42)	33.90
Less : Provision for Taxation	-	4.40
Profit/(Loss) after Tax	(7.42)	29.50
Less: Prior period adjustments	-	0.02
Add: Surplus Carried forward	130.16	140.00
Available for Appropriation	<u>122.73</u>	<u>169.48</u>
Appropriations :		
General Reserve	-	6.50
Proposed Dividend (Including Dividend Tax)	-	32.82
Surplus Carried to Balance Sheet	122.73	130.16

2. DIVIDEND :

In the view of loss during the year your Directors do not propose any dividend.

3. REVIEW OF OPERATIONS :

Export demand continues to be sluggish. Efforts for Export of Readymade Garments were going well but all plans went haywire due to the turmoil in Currency exchange rates and markets in South East Asia which made our prices uncompetitive. There is uncertainty prevailing in whole Asia Region and as abundant precaution in such times your Company put emphasis on consolidation and resorted to Fund based activities on an interim measure till markets stabilise.

4. PROSPECTS & FUTURE OUTLOOK :

While all efforts are being put to tap export market opportunities for different products, which remains priority, your Company's sound financial position and liquidity will be utilized to get optimum return. Having consolidated operations, barring unforeseen circumstances, outlook for present year is good.

5. DIRECTORS :

Mr. Gopal Das Sarda retire from the Board of Directors by rotation in accordance with the provisions of the Articles of Association of the Company and being eligible, offer himself for re-appointment.

6. AUDITORS :

M/s.K.M. Tapuriah & Co., Chartered Accountants, the Auditors of the Company, retires at the conclusion of the Annual General Meeting and being eligible offer themselves for re-appointment.

7. PERSONNEL :

The Board wishes to express its deep appreciation to all employees for extending their full co-operation and maintaining co-ordial relations.

The particulars required in terms of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

8. AUDITORS REPORT :

The notes to the Accounts reffered to in the Auditor's Report are self- explanatory and therefore do not call for any further comment.

9. STATUTORY INFORMATION :

The Company has no activities requiring disclosures relating to conservation of energy, etc. The Technology is indigenous based on hand process. During the period under review the earnings in Foreign Currency was Rs.52 lacs and the expenditure in foreign Currency was Rs. 6.52 lacs.

10. SUBSIDIARY COMPANY :

The statement pursuant to Section 212 of the Companies Act, 1956, Relating to the Company's Subsidiary ENTERPRISE FINANCE LIMITED is enclosed.

Place : Calcutta

Dated : 30th June, 1998

For and on behalf of the Board

GOPAL DAS SARDA

Chairman

ENTERPRISE INTERNATIONAL LTD.

**AUDITOR'S REPORT
TO THE MEMBERS OF ENTERPRISE INTERNATIONAL LIMITED**

We have audited the attached Balance Sheet of ENTERPRISE INTERNATIONAL LIMITED as at 31st March, 1998 and the annexed Profit & Loss Account for the year ended on that date which are in agreement with the books of Accounts.

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we report that in our opinion :

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no serious discrepancies have been noticed on verification.
- (ii) The Fixed Assets of the Company have not been revalued during the year.
- (iii) The stock of finished goods, stores, spare parts and raw materials of the Company have been physically verified by the management at reasonable interval.
- (iv) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (v) The discrepancies noticed on verification between the physical stocks and book records are not material and have been properly dealt with in the books of accounts.
- (vi) On the basis of our examination of the valuation of stocks, we are of the opinion that such valuation is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- (vii) The Company has not taken any loans secured or unsecured, from Companies and firms as listed in Register maintained under Section 301 of the Companies Act, 1956 or from the Companies under the same management as defined under Section 370 (I-B) of the Companies Act, 1956.
- (viii) The Company has not granted any loan, secured or unsecured to firms and other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 or to the Companies under the same management as defined under Section 370 (I-B) of the Companies Act, 1956, except interest free loan to its subsidiary. In our opinion, having regard to the involvement with subsidiary Company and considering the explanation given to us in this regard, the terms and conditions of the above are not prima facie, prejudicial to the interest of the Company.
- (ix) The parties including employees to whom loans or advances in the nature of loans have been given by the Company, where applicable, are generally repaying the principal amounts as stipulated and are also regular in the payment of interest.

ENTERPRISE INTERNATIONAL LTD.

- (x) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipments and other assets and for the sale of goods.
- (xi) The Company has regular procedure for the determination of unserviceable or damaged stores, raw materials, trading goods and finished goods and necessary adjustments for the loss arising on the items so determined have been made in the accounts.
- (xii) The Company has not accepted any Public Deposit.
- (xiii) Reasonable records have been maintained by the Company for the sale and disposal of significant realisable scraps.
- (xiv) The Company has an internal audit system commensurate with the size and nature of its business.
- (xv) Maintenance of cost records under Section 209 (I) (d) of the Companies Act, 1956 is not applicable to the Company.
- (xvi) There are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, excise duty and customs duty as at 31st March, 1998 which are outstanding for a period of more than six months from the date they become payable.
- (xvii) During the course of our examination of the books of accounts, we have not come across any personnel expenses which have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- (xviii) The Company is not a sick industrial company within the meaning of clause (O) sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xix) The Company is maintaining proper records in respect of dealing and trading in shares and debentures. Timely entries have been made therein for transactions and contracts entered into by the Company. The shares and debentures have been held by the Company in its own name.
- (xx) The other provisions of the Manufacturing and other Companies (Auditor's Report) Order, 1988 are not applicable to the Company.

2. Further to the above we report that :

- (i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion proper books of accounts have been kept by the Company as required by law so far as appears from our examination of those books.
- (ii) In our opinion and to the best of our information and according to the explanations given to us the said accounts read in conjunction with schedule, notes on accounts give the information required by the Companies Act, 1956, in the manner so required and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at 31st March, 1998 and the Profit & Loss Account gives a true and fair view of the Loss for the year ended on that date.

For K.M.TAPURIAH & CO.
Chartered Accountants
M.S.TAPURIAH
Proprietor

Place : Calcutta
Date : 30th June, 1998.

ENTERPRISE INTERNATIONAL LTD.

BALANCESHEET AS AT 31ST MARCH, 1998.

(Amount in Rupees)

I. SOURCES OF FUNDS	Sch. NO.	As at 31.03.98	As at 31.03.97
1. Shareholder's Funds			
a) Capital	A	29942250	29942250
b) Reserve & Surplus	B	35326888	36069603
2. Loan Funds			
Secured Loans	C	-	2500000
Unsecured Loans	D	-	283349
TOTAL :		<u>65269138</u>	<u>68795202</u>
II. APPLICATION OF FUNDS :			
1. Fixed Assets	E		
a) Gross Block		1362040	1524166
b) Less: Depreciation		<u>772002</u>	<u>744324</u>
c) Net Block		590038	779842
2. Investments	F	1779800	1995800
3. Current Assets, Loans & Advances	G		
a) Inventories		12589373	23427256
b) Bills Receivable		-	23892
c) Sundry Debtors		-	3100418
d) Cash & Bank Balances		4770465	7979253
e) Loans & Advances		<u>48314964</u>	<u>35493553</u>
		<u>65674802</u>	<u>70024372</u>
Less: Current Liabilities & Provisions	H		
a) Liabilities		4007558	2582490
b) Provisions		<u>738460</u>	<u>3723060</u>
		<u>4746018</u>	<u>6305550</u>
Net Current Assets		60928784	63718822
4. Miscellaneous Expenditure	I	1970516	2300738
(To the extent not written off or adjusted)			
Total :		<u>65269138</u>	<u>68795202</u>

NOTES ON ACCOUNTS**M**

As per our attached report of even date

For **K.M.TAPURIAH & CO.***Chartered Accountants***M.S.TAPURIAH***Proprietor*

Calcutta, 30th June, 1998

G.D.SARDA**B.K.SARDA****B.CHATTERJEE**

Directors

GOPAL AGARWAL

Secretary

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

		(Amount in Rpees)	
INCOME	Sch. No.	Year ended 31.03.98	Year ended 31.03.97
Sales		12343974	66455641
Duty Draw Back		224634	1305698
Other Income	J	1716117	615857
Stock in trade		<u>12589373</u>	<u>23427256</u>
		26874098	91804452
EXPENDITURE			
Opening Stock		23427256	66189021
Purchase		-	9126445
Manufacturing &			
Other Exp.	K	946803	6950717
Administrative &			
Selling Exp.	L	3029084	4425739
Loss on Sale of			
Motor Car		4195	-
Interest (incl.Rs.nil		39009	1488933
Previous year Rs. 744493/-			
paid to others)			
Depreciation		160466	223032
Auditors Remuneration		<u>10000</u>	<u>10000</u>
		27616813	88413887
PROFIT /(LOSS) BEFORE TAX		<u>(742715)</u>	<u>3390565</u>
Less : Provision for Tax		-	440000
PROFIT /(LOSS) AFTER TAX		<u>(742715)</u>	<u>2950565</u>
Adjustment relating to earlier year		-	1782
Balance b/f		<u>13015853</u>	<u>14000130</u>
PROFIT AVAILABLE FOR			
APPROPRIATION		<u>12273138</u>	<u>16948913</u>
Appropriation :			
Transfer to General Reserve		-	650000
Proposed Dividend		-	2984600
Corporate Dividend Tax		-	298460
Balance Carried Forward		<u>12273138</u>	<u>13015853</u>
		12273138	16948913

NOTES ON ACCOUNTS M

As per our attached report of even date

For K.M.TAPURIAH & CO.

Chartered Accountants

M.S.TAPURIAH

Proprietor

Calcutta, 30th June, 1998

G.D.SARDA

B.K.SARDA

B.CHATTERJEE

Directors

GOPAL AGARWAL

Secretary