

SHUBHYOG FINLEASE LIMITED
S-4703, Sunder Nagar, S.V. Road, Malad (W), Mumbai - 400 064
DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their Annual General Report together with Audited Accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS

Due to continuing slackness in the Finance and Share Market, your company has incurred a loss of Rs. 17.42 lacs.

2. DIVIDEND

In view of the loss, your Directors have not recommended any dividend for the year under review.

3. OPERATIONS

During the year Company has achieved an income of Rs. 8.37 lacs as compared to Rs. 10.17 lacs in the previous year.

4. DIRECTORS

Mr. Gopal Dave retire at the end of this Annual General Meeting and being eligible, offer themselves for Re appointment.

5. AUDITORS

M/s K.P. Mandhana & Co., Chartered Accountants resigned due to their pre occupation. The Company has appointed M/s S.D. Chauhan & Co., Chartered Accountants as Auditors. M/s S.D. Chauhan & Co. retire at the forthcoming Annual general Meeting and being eligible offer themselves for re appointment.

6. FIXED DEPOSIT

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.

7. EMPLOYEES

There were no employees who were in receipt of remuneration above Rs. 6,00,000/- p.a. when employed through out the year or Rs. 50,000/- p.m. when employed for part of the year.

8. COMPLIANCE OF LISTING AGREEMENTS

Although the provision contained in section 219 of the Companies Act, 1956 as amended, permits the Company to send an abridged version of Company's Balance Sheet and Profit & Loss Account to the company in order to comply with clause 32 of the Listing Agreement executed by with different Stock Exchanges is sending herewith the full version of the aforesaid statements along with various documents which are required to be attached with them, to all Shareholders of the Company.

The Cash Flow statement in the format prescribed by SEBI is annexed to this report, in compliance with amended clause 32 of the listing agreement executed by the Company with the Stock Exchanges.

9. ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of Company's employees for their dedication and hard work.

For and on Behalf of the Board

Place: Mumbai
Date: 18.03.99

TRUE COPY

FOR SHUBHYOG FINLEASE LTD.,



DIRECTOR

Director

S.D. CHAUHAN & CO.
CHARTERED ACCOUNTANTS

SURESH CHAUHAN
B.COM., ACA

S. D. CHAUHAN & CO.
Chartered Accountants
196 D, Canal Cross Lane-7,
Vigas Street, Malabar, Bombay 2.

AUDITORS' REPORT

To
The Members
SHUBHYOG FINLEASE LTD.

We have audited the attached Balance Sheet of SHUBHYOG FINLEASE LTD. as at 31st March, 99 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 (Auditor's Report) Order, 1988 issued by the Companies Act, 1956, we enclose in the Annexure a statement on the matter 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 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 account, as required by the law, have been kept by the Company so far As appears from our examination of the books.
 - c. Balance Sheet and Profit and Loss Account dealt with by 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 Profit and Loss Account and Balance Sheet read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required, give a true and fair view
- I) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999.
- ii) In case of Profit and Loss Account of the loss for the year ended on that date.



For S.D. Chauhan & Co.

Suresh Chauhan
Proprietor.

Place: Mumbai
Date: 18.03.99
FOR SHUBHYOG FINLEASE LTD.

[Signature]
DIRECTOR.

Chartered Accountants

196 D. Cavel Cross Lane-7

Vijay Street, Kalyan, Bombay 401 501

ANNEXURE TO THE AUDITORS' REPORT

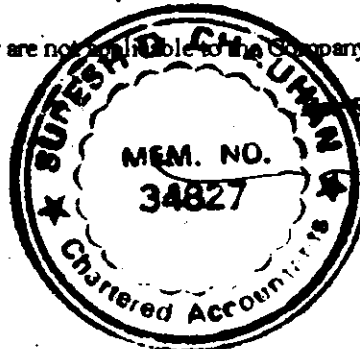
(Statement referred to in paragraph 1 of our Report of even date on the Accounts of Sushyog Finance Limited for the year ended 31st March, 1999)

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. These Assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- 2) None of the Fixed Assets have been re valued during the year.
- 3) The Company has not taken any loans secured or unsecured from Companies, Firms and other parties listed in the register maintained under section 301 and/or from the Companies under the same Management as defined under section 370 of the Companies Act, 1956.
- 4) The Company has given loans and advances to the parties without any stipulation as to repayment of principal amounts and interest thereon.
- 5) In our opinion and according to the information and explanation given to us, there are adequate Internal Control procedure commensurate with the size of the Company and the nature of its business.
- 6) The company has not accepted any deposit from the public.
- 7) We have been informed that the Provident Fund Act and the Employees' State Insurance act are not applicable to the Company.
- 8) There is an outstanding demand of Rs. 25,78,883/- against the Company for which Company has filed Appeal and hopeful of having decision in its favor. Apart from this there are no undisputed amounts payable in respect of Income Tax, Wealth Tax and Sales Tax outstanding as at the last day of the financial year, for a period of more than Six Months from the date when they become payable.
- 9) During the course of our examination of the books of accounts, we have not come across any personal Expenses which have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practice.
- 10) The Company, not being a Sick Industrial Companies (Special Provision) Act, 1985 is not required to Make any reference to the Board for Industrial & Financial Reconstruction under Section 15 of that Act.
- 11) In our opinion and according to the information and explanation given to us, the Company has Maintained proper records of transaction and contracts as to dealing and investment in securities and timely entries have been made therein. The securities have been held by the Company in its own name except to the extent of exemption granted u/s 49 of the Companies Act 1956.
- 12) In our opinion, the other clauses of the said order are not applicable to the Company.

Place: Mumbai
Date: 18.08.99

TRUE COPY

DIRECTOR.



S.D. Chauhan & Co.

Suresh Chauhan.
Proprietor.

SHUBHYOG FINLEASE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 1999
SCHEDULE

S. D. CHAUHAN & CO.
Chartered Accountants

193 D, Canal Cross Lane-7,
 Vigas Street, Malabar Hill, Bombay 2.

AS AT 31.03.99 AS AT 31.03.99

AMOUNT IN RS. AMOUNT IN RS.

SOURCES OF FUNDS:

SHAREHOLDERS FUNDS

Share Capital	32,536,000	32,536,000
Reserve & Surplus	500,000	500,000

TOTAL

33,036,000 33,036,000

APPLICATION OF FUNDS:

FIXED ASSETS

Gross Block	8,580,000	8,580,000
Less: Depreciation	3,551,152	3,231,334
Net Block	5,008,848	5,328,666

INVESTMENTS

8,994,070 9,107,583

CURRENT ASSETS, LOANS & ADVANCES

Inventories	504,098	13,314,829
Cash & Bank balances	1,272,671	1,167,434
Loans & Advances	15,910,099	21,934,054

Less: Current Liabilities & Provisi

Net Current Assets 3,266,735 20,872,626

MISCELLANEOUS EXPENDITURE

1,107,445 1,292,296

(To the extent not written off or adjusted)

Profit and Loss Account 3,505,504 1,763,784

TOTAL 33,036,000 33,036,000

Notes to the Accounts

For our report of even date
 For S. D. Chauhan & Co.

For and on behalf of the Board

NO 12
 27
 (Suresh Chauhan)
 Proprietor.
 Place Mumbai
 Date 18.8.99

Director

Director

FOR SHUBHYOG FINLEASE LTD.,

DIRECTOR.