

BROADVIEW CREDIT AND CAPITAL LTD.

DIRECTORS' REPORT

Dear Members,

Your Directors submit their Fourth Annual Report together with the Audited Statement of accounts for the year ended 31st March 1999.

FINANCIAL RESULTS :

During the year under report, the company has made loss of Rs. 4,70,697/-. After adding there to loss of last year, amounting to Rs.29,44,135/- balance of loss of Rs.34,14,832/-is carried to next year. As such your Directors do not recommend any dividend.

FIXED DEPOSITS :

The Company has not accepted any fixed deposit as laid down under section 58A of the Companies Act, 1956.

PARTICULARS REGARDING EMPLOYEES :

There is no employee who is in receipt of remuneration exceeding the limit specified under Section 217 (2A) of the Companies Act, 1956.

POLLUTION AND ENERGY CONSERVATION ETC. :

Pursuant to Section 217 (1) (e) of the Companies Act, 1956 the information required in respect of pollution and energy conservation is nil.

There were no earnings or outgoings of foreign exchange during the year.

NEW BUSINESS :

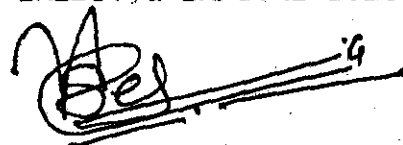
In view of the present market situation in the field of finance, your company has started business of software development.

AUDITORS :

You are requested to appoint auditors from the conclusion of ensuing Annual General Meeting up to the conclusion of next Annual General Meeting and fix their remuneration. The present Auditors M/s.VINIT S. SHAH & Co., Chartered Accountants, are eligible for reappointment.

Registered Office :
527 Ellora Comm. Centre
Opp. G.P.O.
Salapase Road
AHMEDABAD 380 001.

For and on behalf of the Board,
FOR, BROADVIEW CREDIT & CAPITAL LTD.



(SURESH N. VEKARIA)
CHAIRMAN & MANAGING DIRECTOR

Place: AHMEDABAD
DATE : 30/06/1999

AUDITORS' REPORT**TO THE MEMBERS OF****BROADVIEW CREDIT AND CAPITAL LIMITED**

We have audited the attached Balance Sheet of Broadview Credit And Capital Limited as at 31st March, 1999 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. 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.
2. 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.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion the Profit and Loss Account and Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956 to the extent such standards have been made applicable by the Institute of Chartered Accountants of India.
5. In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with notes thereon, subject note-2 to regarding investments, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - a) In the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March, 1999 ;
 - and
 - b) In the case of the Profit and Loss Account, of the Loss, for the year ended on that date.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988, and on the basis of such checks as we considered appropriate, we further state on the matters specified in paragraphs 4 and 5 of the said Order as under :

1. The Company has maintained proper records to show 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 has been revalued during the year.
3. The Company does not have any stocks of raw materials, stores, spare parts, finished goods and therefore clauses (iii), (iv), (v), (vi), (xii), and clause 2(A) are not applicable.



4. The Company has not taken any loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or from the Companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
5. The Company has granted loans to Companies, listed in the register maintained under Section 301 of the Companies Act, 1956 and/or to the Companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956. The loans are interest free. These advances, in our opinion, may be considered prima facie prejudicial to the interest of the company.
6. The parties (including employees) to whom loans or advances in the nature of loans have been given by the company are not repaying the principal as well as interest amounts.
7. In our opinion and according to the information and explanation 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 purchase of equipment and other assets.
8. According to the records of the company there are no transactions of purchases of goods, materials and sale of goods and service made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act, 1956 and aggregating during the year to Rs. 50000/- or more in respect of each party.
9. The Company has not accepted any deposits from the public during the year.
10. The Company did not have any internal audit system during the year.
11. The Company's activities do not generate any by-products or scrap.
12. The provisions of Provident Fund and Employees' State Insurance are not applicable to the Company.
13. In our opinion, Loans & advances granted are unsecured.



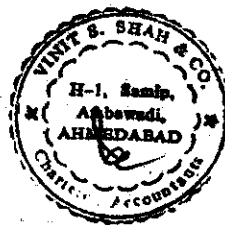
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14. At the last day of the financial year, according to the books and records examined by us and the information and explanation given to us, there were no undisputed amounts payable in respect of wealth tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable. An amount of Rs. 39,364/- being incometax deducted at source is outstanding for more than six months.
15. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses which have been charged to Profit & Loss Account, nor we have been informed of any such case by the management.
16. We are informed that the provisions of any special statutes applicable to chit funds, nidhi or mutual benefit society, do not apply to the company.
17. The Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures, and other securities and that timely entries have been made therein. All securities have not been held by the company in its own name.
18. As per the information and explanations given to us and taking into consideration the nature of the business of the company, Clauses (xvi) & (xx) of paragraph 4 (A) and Clauses (ii) & (iv) of the Paragraph 4 (B) of the Manufacturing and Other Companies (Auditors' Report) Order, 1988 are not applicable.

For, VINIT S. SHAH & CO.
Chartered Accountants

Vinit S. Shah

(VINIT S. SHAH)
Proprietor



Ahmedabad
Date : 30/06/1999