

ANNUAL REPORT

2003-2004

Report  junction.com

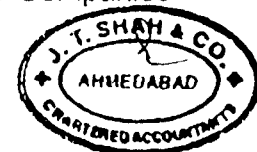
NANDAN EXIM LIMITED  
CHIRUFAL HOUSE, 2<sup>ND</sup> FLOOR,  
132 FT. RING ROAD,  
SHIVRANJANI CROSS ROAD,  
SATELLITE,  
AHMEDABAD - 380 015.



## AUDITORS' REPORT

To,  
The Members of  
NANDAN EXIM LIMITED

- 1 We have audited the attached Balance Sheet of NANDAN EXIM LIMITED as at 31st March 2004 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. These 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 also includes examining, on a test basis, evidence supporting 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of section 227 (4 A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
- 4 Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which are to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company and the same appear from our examination of those books;
  - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;



J. T. Shah B. Com., FCA

N. C. Shah B. Com., LLB. FCA

J. T. Shah B. Com., Grad. CWA, FCA

J. T. Shah &amp; Co.

CHARTERED ACCOUNTANTS

- (v) In our Opinion and based on information and explanation given to us, none of the directors are disqualified as on 31<sup>st</sup> March, 2004 from being appointed as director of the company in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2004; and
- (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

FOR J. T. SHAH & COMPANY  
CHARTERED ACCOUNTANTS

PLACE: AHMEDABAD  
DATE: 03/06/2004



(J. T. SHAH)  
PARTNER  
(Memb. No. 3983)

## ANNEXURE TO THE AUDITORS REPORT

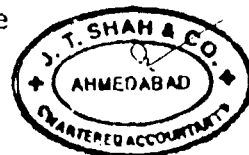
Referred to in paragraph 3 of our Report of even date to the Members of  
**NANDAN EXIM LIMITED.**

1 In respect of Fixed Assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
  - b. As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the available records.
  - c. In our opinion, the Company has not disposed off any major/substantial part of the fixed assets during the year and the going concern status of the company is not affected.
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- a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. On the basis of our examination of the records of inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material.

In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- a. During the year under audit, the company has not granted any loans to the companies, firms and other parties covered under section 301 of the Companies Act, 1956. There are three parties covered in the register maintained under section 301 of the Companies Act, 1956 from whom the company has taken loans. The maximum amount involved during the year was Rs. 315 Lacs and the year-end balance of loans taken from such parties was Rs. 200 Lacs.



- b) In our opinion and according to the information and explanations given to us, in case of loans taken during the year, the rates of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
  - c) The Company has not granted any loan to any of the companies, firms and other parties covered under section 301 of the Companies Act, 1956. In respect of loans taken by the company, the company does not have any liability for the payment of interest does not arise, principal amount is repayable on demand.
  - d) The company has not granted any loans. As the loans taken are repayable on demand the question of overdue amount does not arise.
- 4 In our opinion and according to the information and explanations 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 purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

In respect of the transactions entered under Section 301 of the Companies Act, 1956:

- a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or agreements entered into by the company and registered under section 301 and exceeding the value of the five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- 8 We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.



## 9 In respect of Statutory Dues:

- a According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it.
- b According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Customs Duty, Sales Tax and Excise Duty were outstanding as at 31<sup>st</sup> March, 2004 for a period of more than six months from the date they became payable.
- c The disputed statutory dues aggregating to Rs. 1,559,540/- that have not been deposited on account of matter pending before appropriate authority are as under:

Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Forum where dispute is pending
The Income Tax	Income Tax	15.60	Commissioner of

- 10 The company has no accumulated losses and has not incurred any cash losses during the financial year under review or in the immediately preceding financial year.
- 11 Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Banks.
- 12 Based on our examination of documents and records and information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Co-operative Societies are not applicable to the Company. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- 14 The Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of para 4 (xiv) are not applicable to the Company.
- 15 As per the information provided to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

