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AUDITOR'S REPORT

To

The Members of M/s. OMNI DYE CHEM EXPORTS LIMITED

We have audited the attached Balance Sheet of OMNI DYE CHEM EXPORTS LIMITED as at 31st MARCH, 2005 and the Profit & Loss Account of the Company 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.

We 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 misstatements. An audit 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.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of the books and records of the company as we considered appropriate and according to the information and explanation give to us, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to 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 purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors, as on 31st March, 2005, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2005 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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;
 - (a) in the case of the Balance Sheet, of the state of affair of the company as at 31st March, 2005;
 - (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For MEHRA ANIL & ASSOCIATES
Chartered Accountants

Anil T. Mehta

Place : AHMEDABAD
Date : 29/08/2005



OMNI DYE CHEM EXPORTS LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of OMNI DYE CHEM EXPORTS LIMITED on the financial statement for the year ended 2005.

1. The Company is in the process of maintaining proper records of fixed assets showing full particulars including quantitative details & location. The company has a regular programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by Management during the year and no material discrepancies were noticed on such verification. No disposal of substantial part of fixed assets of the company has taken place during the year so as to affect the going concern.
2. As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business. The procedures of physical verification of stocks followed by the Managements are reasonable and adequate in relation to the size of the Company and the nature of its business. The company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of the having regard to the size of the operations of the Company.
3. The Company has not granted loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

Nos.	Amount(in Rs.)
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2	1500439.00
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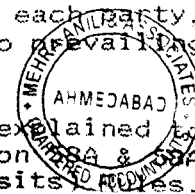
In respect of the loan and advances in the nature of the loans, given by the Company, where stipulations have been made, parties are repaying the principal amounts and interest as stipulated. However on loans given to employees of the Company, the Company is not charging interest on such loans and advances.

The Company has taken loans, secured or unsecured, from the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

In our opinion the terms and conditions on which such loans are taken are not prima facie prejudicial to the interest of the Company.

As informed to us, reasonable steps have been taken by the Company where overdue amount of such loans is exceeding Rs. 1 Lac.

4. 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 for the purchase of inventory and fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us there is no major weakness in internal control was observed by us during the course of audit.
5. In our opinion, and according to the information and explanations given to us, the transactions 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. 500000 or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices as available with the company.
6. The Company has not accepted any deposits from the public. As explained to us, on deposit accepted by the company, the provision of Section 285A & 285B of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.



OMNI DYE CHEM EXPORTS LIMITED

7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. Maintenance of cost records has not prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
9. According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees state Insurance, Income-tax Sales-tax, Wealth Tax, Custom Duty, Exice duty, cess which are outstanding as at 31/03/2005 for a period of more than six months from the date they became payable.
10. The Company has incurred cash losses during the year and during the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institution or bank or debenture holder.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore the provision of sub-para(xiii) of para 4 of the order are not applicable to the company.
14. According to the information and explanations given to us, proper records have been maintained in respect of transactions and contracts, in shares, securities, debentures and other investments and timely entries have been made therein. The shares and other securities have been held by the company in its own name.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. As per information and explanations given to us, terms loans were applied for the purpose for which loans were obtained.
17. No funds raised on short term basis have been used for long term investments and vise versa.
18. No preferential allotment of shares during the year to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 is made by the Company.
19. The company has not issued debentures and hence requirement of reporting regarding creation of securities in respect of debentures issued does not arise.
20. The company has not made any public issue of any securities during the
21. No fraud on or by the Company was noticed or reported during the year.

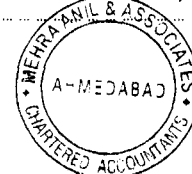
For MEHRA ANIL & ASSOCIATES
Chartered Accountants

Anil Mehra

ANIL MEHRA
PROPRIETOR

(M.No. 33052)

Place : AHMEDABAD
Date : 29/08/2005



OMNI DYE CHEM EXPORTS LIMITED

BALANCE SHEET AS AT MARCH 31, 2005

	Schedule	As at March 31, 2005 (Rupees)	As at March 31, 2004 (Rupees)
SOURCE OF FUNDS:			
SHARE HOLDER'S FUNDS			
SHARE CAPITAL	'A'	76050000	76050000
		76050000	76050000
LOAN FUNDS			
Secured Loans	'B'	5434240	6755266
Unsecured Loans	'C'	2237772	1149658
		7672012	7904924
Deferred Tax		8155966	11560111
TOTAL		91855418	95515035

APPLICATION OF FUNDS:

Fixed Assets			
Gross Block	'D'	66003013	65888925
Less : Depreciation		(22343938)	(20274655)
Net Block		43659075	45614270
		43659075	45614270
Investment	'E'	22500	22500
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	'F'	6790473	4456987
Sundry Debtors	'G'	3017709	7027694
Cash & Bank Balances	'H'	294815	211414
Loans & Advances	'I'	2968841	2255082
		13071838	13951177
Less : CURRENT LIABILITIES & PROVISIONS			
Liabilities	'J'	8322441	7021379
Provisions	'K'	105311	49415
		8427752	7070794
NET CURRENT ASSETS		4644086	6880383
MISCELLANEOUS EXPENDITURE	'L'	43529757	42997882
(To the extent not written off/adjusted)			
TOTAL		91855418	95515035
Notes to Accounts	'V'		

As per our report of even date attached

For MEHRA ANIL & ASSOCIATES
Chartered Accountants*Anil Mehra*ANIL MEHRA
PROPRIETOR

(M.No. 33052)

Place : AHMEDABAD

Date : 29/08/2005

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS*Satish Brahmhatt*
SATISH BRAHMBHATT
(CHAIRMAN & MANAGING
DIRECTOR)*Navin Brahmhatt*
NAVIN BRAHMBHATT
(DIRECTOR)

OMNI DYE CHEM EXPORTS LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2005**

	Schedule	As at March 31, 2005 (Rupees)	As at March 31, 2004 (Rupees)
<u>INCOMES:</u>			
Sales	"M"	41776774	30373780
Increase/Decrease In Stock	"N"	2149820	815338
Other Income	"O"	1558088	946492
TOTAL		45484682	32135610

EXPENDITURES:

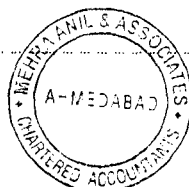
Raw Material Consumed	"P"	27701048	17792657
EXCISE DUTY		3360678	2725120
TRADING PURCHASE		4869890	2056500
Manufacturing Exps.	"Q"	4018926	3047527
Operating & Administrative Exps.	"R"	1190173	716945
Office Administrative & Other Exps	"S"	4735696	3987414
Financial Expenses :	"T"	729333	461440
Preliminary Exps	"U"	554606	554606
Loss on Sales/Discard Of Assets		203948	38412
TOTAL		47364298	31380621

PROFIT/LOSS BEFORE DEPRECIATION	(1879616)	754989
LESS: DEPRECIATION	2633570	2573944
PROFIT/LOSS BEFORE TAXATION	(4513186)	(1818955)
LESS: DEFERRED TAX	(3426705)	167693
PROFIT AFTER TAX	(1086481)	(1986648)
Balance B/F from Previous Year	(42119760)	(40133112)
BALANCE CARRIED TO BALANCE SHEET	(43206241)	(42119760)

Notes to Accounts

"V"

As per our report of even date attached

For MEHRA ANIL & ASSOCIATES
Chartered AccountantsFOR AND ON BEHALF OF THE
BOARD OF DIRECTORS*Anil Mehra*ANIL MEHRA
PROPRIETOR
(M.No. 33052)
Place : AHMEDABAD
Date : 29/08/2005*Satish Brahmhatt*
SATISH BRAHMBHATT
(CHAIRMAN & MANAGING
DIRECTOR)*Navin Brahmhatt*
NAVIN BRAHMBHATT
(DIRECTOR)

OMNI DYE CHEM EXPORTS LIMITED**SCHEDULE TO AND FORMING PART OF ACCOUNTS**

Year 2004-2005

Year 2003-2004

SCHEDULE 'A' : SHARE CAPITAL**Authorised**

AUTHORISED SHARE CAPITAL

80000000

80000000

80,00,000 EQ. SHARES OF Rs.10/- EACH

Issued, Subscribed & Paid Up

ISSUED, SUBSCRIBED & PAID UP CAPITAL

76050000

76050000

76,05,000 EQ. SHARES OF Rs.10/- EACH

76050000

76050000

76050000

76050000

SCHEDULE 'B' : Secured Loans

BANK OF INDIA CC A/C

2888236

2000086

BANK OF INDIA FBP A/C

2220030

1095957

BANK OF INDIA, E P C A/C

0

2999868

KOTAK MAHENDRA PRIMUS LTD.

325974

659355

5434240

6755266

Note :

BANK OF INDIA-CC A/C IS SECURED AGAINST HYPOTHECATION OF STOCKS & BOOK DEBTS.

BANK OF INDIA FBP A/C SECURED AGAINST FOREIGN BILL.

BANK OF INDIA-EXPORTS PACKING CREDIT A/C.-SECURED AGAINST STOCKS.

KOTAK MAHENDRA PRIMUS LTD.SECURED AGAINST QUALIS(VEHICLE).

SCHEDULE 'C' : Unsecured Loans

FROM DIRECTOR

270000

210000

FROM SHAREHOLDERS

1967772

939658

2237772

1149658



OMNI DYE CHEM EXPORTS LIMITED

Year 2004-2005

Year 2003-2004

SCHEDULE 'D' : FIXED ASSETS

Assets / Block of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01/04/2004	Addition during the year	Adjustment during the year	Value As on 31/03/2005	As on 01/04/2004	For the year	Adjust- ment	As on 31/03/2005	As on 31/03/2005	As on 31/03/2004
1 OFFICE PREMISES	1056905	0	0	1056905	139260	17228	0	156488	900417	917645
2 COMPUTERS	33313	0	0	33313	17487	5400	0	22887	10426	15826
3 FACTORY BUILDING	20615685	105131	0	20720816	5765564	688857	0	6454421	14266395	14850121
4 FURNITURE & FIXTURE	1099837	0	0	1099837	648105	69620	0	717725	382112	451732
5 LAND & SITE DEVELOP	6699215	0	0	6699215	0	0	0	0	6699215	6699215
6 CAPITAL WORK IN PRO	2192678	0	0	2192678	0	0	0	0	2192678	2192678
7 ELECTRIC INSTALLATI	1775056	0	0	1775056	815952	84315	0	900267	874789	959104
8 OFFICE & FACTORY EQ	1247701	78100	0	1325801	683182	60905	0	744087	581714	564519
9 A.C.MACHINE	223270	0	0	223270	118549	10605	0	129154	94116	104721
10 EFFLUENT TREATMENT	3272532	119327	0	3391859	1235522	156684	0	1392206	1999653	2037010
11 PLANT & MACHINERY	25064351	671766	0	25736117	9512628	1350573	0	10863201	14872916	15551723
12 VEHICLES	2608382	0	860236	1748146	1338406	189383	564287	963502	784644	1269976
TOTAL :	65888925	974324	860236	66003013	20274655	2633570	564287	22343938	43659075	45614270
Previous Year	64667908	1321581	100564	65888925	17740663	2573944	47952	20274655	45614270	46919245

SCHEDULE 'E' : Investment

500(500) EQ. SHARES OF BANK OF INDIA @ Rs.10/- EACH FULLY PAID-UP
(MARKET VALUE: Rs.56/-)

22500 22500

22500

22500

SCHEDULE 'F' : Inventories

AS TAKEN, VALUED & CERTIFIED BY THE MANAGEMENT

RAW MATERIALS (AT COST) 657502 471939
CLOSING STOCK OF FINISHED GOODS 2116400 792450
CLOSING STOCK OF WORK IN PROGRESS 3997870 2972000
CLOSING STOCK OF OTHERS 18701 20598

6790473

4456987

