

AUDITOR'S REPORT

To The Members of  
M/s Shree Rajivlochan Oil Extraction Ltd.  
Raipur (M.P.)

We have audited the attached Balance Sheet of M/s ~~Shree Rajiv~~ Lochan Oil Extraction Ltd., Raipur as at 31st March 1999 and the Profit & Loss Account for the year ended on the date annexed thereto and report that :

1. As required by the Manufacturing and other companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

2. Further to our comments in the annexure referred to in paragraphs (1) above and subject to the notes given in schedule(P) we state that:

(a) 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.

(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 these books.

(c) The Balance sheet and Profit & Loss account are in agreement with the books of account as submitted to us.

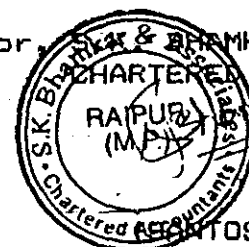
(d) In our opinion and to the best of our information and according to the explanation given to us, the said statements of Accounts read in conjunction with the notes and schedules attached thereto give the information required by the Companies Act 1956, in the manners so required and give a true and fair view :-

(i) In the case of the Balance Sheet of state of affairs of the company as at 31st March, 1999 and

(ii) In the case of the Profit & Loss Account of the profit of the company for the year ended on that date.

Place : Raipur  
Date : 24/06/99.

For, S.K. BHAMKAR & ASSOCIATES  
CHARTERED ACCOUNTANTS



(SANTOSH BHAMKAR)  
Proprietor.

*True Copy  
Nandini*

**ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH (1)  
OF OUR REPORT OF EVEN DATE TO THE MEMBERS  
OF M/S SHREE RAJIVLUCHAN OIL EXTRACTION LTD.**

1. The Fixed Assets register being maintained by the Company showing full particulars including quantitative details and situation of Fixed Assets. We are informed that the Fixed Assets were physically verified at reasonable intervals during the year. No serious discrepancies were noticed on such verification.
2. The Fixed Assets of the company have not been revalued during the year.
3. We are informed that the stock of finished goods, stores, spare parts, and raw material have been physically verified by the management at reasonable intervals during the period.
4. The procedure of the physical verification of the stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. No material discrepancies were noticed on physical verification of the stocks as compared to book records.
6. In our opinion the valuation of stock of raw material and finished goods is fair and proper and in accordance with the normally accepted Accounting principles.
7. The Company has taken unsecured loans from firms and other parties listed in the Registers maintained U/s 301 of the Companies Act, 1956. The rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company. As informed there is no Company under the same management.
8. The Company has not granted any loans secured or unsecured to Companies, Firms or other listed in register maintained under section 301 and 370(1C) to the Companies under the same management during the period.
9. The parties to whom the loans or advances have been given by the company are repaying the principal amount and are also regular in the payment of interest.
10. 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 nature of its business for the purchase of stores, raw materials including companies, plant & machinery, equipment and other assets.

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(2)

11. The Company has not entered into any transactions of purchase of goods and materials and sale of goods, material and services made on pursuance of contracts of arrangement entered in the register maintained under section 301 of the Company Act, 1956 as aggregated during the year to Rs. 50000/- or more in respect of each party.

12. We are informed that there were no unservisable or damaged stores, spares, raw material or finished goods during the period.

13. The Company has not accepted any deposits from the public. However unsecured loan from share holders which works out to Rs. 1203896/-.

14. In our opinion, reasonable records have been maintained by the Company for sale and disposal of realisable by-products and scraps where applicable and significant.

15. The Company could not produce satisfactory report regarding internal audit system commensurate with the size and nature of its business.

16. The Central Government has not prescribed maintenance of cost records under section 209(10)(d) of the Companies Act, 1956 for any of the products of the Company.

17. According to information given to us, the Employees Provident Fund deduct and paid in reasonable time as per Employees provident fund Act but no amount deduct and paid for insurance of employees as per Employees State Insurance Act by the company in F.Y. 1998-99.

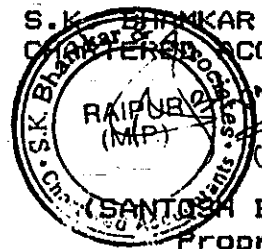
18. There was no undisputed amount payable in respect of Income Tax, Sales Tax, Custom Duty and Exise Duty as at 31st March, 1999 which are outstanding for a period of more than six month from the date they become payable.

19. During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices, we have not come cross any personal expenses which have been charge to Profit & Loss Account.

20. The Company is not a sick industrial Company within the meaning of Section 3(i)(c) of the Sick Industrial Companies (Special Provisions) Act, 1985.

Place : Raipur  
Date : 24/06/99

For, S.K. BHAMKAR & ASSOCIATES  
Chartered Accountants  
RAIPUR (M.P.)  
(SANTOSH BHAMKAR)  
Proprietor.



**SHREE RAJIVLOCHAN OIL EXTRACTION LTD., RAIPUR****DIRECTOR'S REPORT**

Dear Shareholder's

Your Directors have pleasure in presenting the 9th Annual Report and the Audited Accounts of the company for the year ended on 31st March, 1999.

**1. FINANCIAL RESULTS :-**

	<b>(Rs. in lacs)</b>	
	<b>Current year ended on 31/03/99</b>	<b>Previous year ended on 31/03/98</b>
Sales	1336.19	751.59
Profit/Loss before interest & depreciation	52.04	55.13
Interest	11.34	20.13
Provision for depreciation	15.14	17.43
Net Profit (Loss)	25.56	17.51
Provision for dividend	NIL	NIL

**2. DIVIDEND :**

Your Directors regret for not recommending any dividend in view of the accumulated losses.

**3. INFORMATION REGARDING EXPANSION :**

Due to non-receipt of call money and adverse market conditions, your Directors have decided to postpone the expansion project.

**4. DEPOSITS :**

The company has not accepted any deposits from public.

**5. DIRECTORS :**

Shri Premchand Sundrani, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

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**6. AUDITORS :**

M/s S.K. Bhamkar & Associates, Chartered Accountants, Raipur, retire at the conclusion of forth coming Annual General Meeting and being eligible offer themselves for reappointment.

**7. EMPLOYEES :**

Since there was no employee drawing remuneration in excess of the limits prescribed under section 217 (2 A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, information as required under the above provisions is not given.

**Y2K COMPLIANCE :**

The company has taken all the measures to ensure that all the manufacturing business and communication systems are Y2K compliant.

**8. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION :**

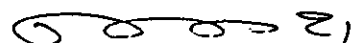
The information required as per section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Director) Rules, 1988 is given in the Annexure forming part of this report.

**9. ACKNOWLEDGEMENT**

Your Directors wish to place on record their thanks and appreciation to the employees, bankers, financial institutions, share holders and various Government Authorities for their continued co-operation and support.

By AND ON BEHALF OF THE BOARD

Place : Raipur  
Date : 24/06/99.



(PRAKASH CHAND RAHEJA)  
Chairman.