

K. NATARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS.

Flat 8, Plot 4,
Green Park, Amritvan,
Goregaon (East),
MUMBAI - 400 063.

Tel.No. 846 17 13

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **NEW HORIZON LEASING & FINANCE LIMITED** as at 31st March, 1999 and the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and report that :

1. 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 the books;
- c) The Balance Sheet and Profit and Loss Account dealt with 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 accounts read with the Notes thereon, as per Schedule 13, give the information required by the Companies Act, 1956, in the manner so required and 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,
 - and
 - (ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government in exercise of powers conferred by Section 227 (4A) of the Companies Act, 1956, we further report that :

- (i) The Company is maintaining proper records showing full particulars of fixed assets. None of the fixed assets of the Company have been revalued during the year.
- (ii) The Company has not taken secured/ unsecured loans from Companies/ Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iii) The Company has not granted any loans to Companies/ Firms or other parties listed in the register maintained.
- (iv) The Company has not accepted any deposits from the Public within the meaning of Section 58A of the Companies Act, 1956 and the rules framed thereunder.

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- (v) We are informed that the provision of the Employees State Insurance Scheme and the Employees Provident Fund and Miscellaneous Provision Act, 1992 are not applicable to the Company.
- (vi) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty as at 31st March, 1999 were outstanding for a period of more than six months from the date they become payable.
- (vii) According to the information and explanations given to us and on the basis of the records of the Company examined by us, no personal expenses of Directors have been charged to revenue.
- (viii) The Company is not a sick industrial Company within the meaning of Section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (ix) The Company has maintained proper records of the transactions and contracts for purchase and sale of shares and timely entries have been made therein. The investments have been held by the Company in its own name.
- (x) The nature of Company's activities is such that the requirements of Clause No. (iii), (iv), (v), (vi), (viii), (x), (xi), (xii), (xiv), (xv) and (xvi) of the aforesaid order are not applicable to the Company for the year under review.

Mumbai
Dated : 04.09.1999



For K. NATARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

K. Natarajan

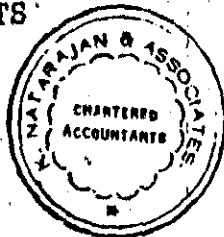
K. NATARAJAN
PROPRIETOR
(M 4142)

NEW HORIZON LEASING & FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 1999

	Schedule	Rupees	Rupees	As on 31/03/1998 Rupees
SOURCES OF FUNDS				
1. Shareholders Funds				
a) Share Capital	1	97,94,000		97,94,000
b) Reserves & Surplus	2	89,56,562		92,26,343
TOTAL			1,87,50,562	1,90,20,343
APPLICATION OF FUNDS				
1. Fixed Assets				
a) Gross Block	3	5,05,319		5,05,319
b) Less: Depreciation		1,49,090		1,32,501
c) Net Block			3,56,229	3,72,818
2. Investments	4		5,25,737	8,30,225
3. Current Assets, Loans & Advances				
a) Sundry Debtors	5	18,01,425		17,09,287
b) Cash and Bank Balances	6	8,815		8,815
c) Loans & Advances	7	2,67,01,304		2,66,99,485
		2,85,11,544		2,84,17,587
Less: Current Liabilities & Provisions				
a) Current Liabilities	8	1,02,871		1,40,210
b) Provisions		1,04,60,077		1,04,60,077
		1,06,42,948		1,06,00,287
Net Current Assets			1,78,68,596	1,78,17,300
Total			1,87,50,562	1,90,20,343

As per our attached report of even date

For K. NATARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTSK. NATARAJAN
PROPRIETORPlace : Mumbai
Dated : 04.09.1999.

On behalf of the Board of Directors

DIRECTOR

Place : Mumbai
Dated : 04.09.1999