ANNUAL REPORT
2000 - 2001

Triumph International Finance India Limited

BOARD OF DIRECTORS

A. R. Kapadia

Dharmesh Doshi - Managing Director

Jatin Sarvaiya - Managing Director

BANKERS

Global Trust Bank Limited

Centurion Bank Limited

The Madhavpura Mercantile Co-op Bank Limited

ICICI Bank Limited

AUDITORS

M/s. Pravin P. Shah & Co.

Chartered Accountants

REGISTERED AND CORPORATE OFFICE

Oxford Center, 10 Shroff Lane,
Colaba Causeway,
Mumbai - 400 005.

REGISTRAR AND SHARE TRANSFER AGENT

Intime Spectrum Registry Pvt. Ltd.
260-A, Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (West), Mumbai - 400 080.

DIRECTORS REPORT 2000-01

To the Members,
The directors herewith submit their report on the business and operations; along-with audited financial statements for the year ended March 31, 2001.

FINANCIAL RESULTS (Rs. in mn)

Particulars	Year ended (Audited)	
	31st March, 2001	31st March, 2000
Net Sales	4324	5183
Cost of Sales	4372	5165
Income from Operations	780	419
Total Expenditure	894	130
Profit / (Loss) Before Depreciation and Tax	(162)	308
Less Depreciation	1	1
Profit / (Loss) Before Taxation	(163)	307
Less Provision for taxation	Nil	115
Profit / (Loss) After Tax	(163)	193
Paid up Equity Share Capital	75	75
Preference Share Capital	Nil	35
Dividend (Preference Shares)	4	5
Dividend (Equity Shares)	Nil	44
Tax on Dividend	1	5
Reserves	257	432

DIVIDEND
Your Directors do not recommend paying dividend for the current year. The board in the month of December paid interim dividend on the preference shares and redeemed the preference shares.

SHARE CAPITAL
During the current year under review the company redeemed its preference shares. The Capital Redemption Reserve is accordingly created in the books of account on redemption of the preference share capital.

CAPITAL MARKETS
There has been a negative sentiment in the global markets in general and NASDAQ in particular for past 18 months. The cause for the debacle was mainly the excessive valuation given to Technology Stocks; viz. Dot Com and software companies which could not deliver to the expectations. As valuations eroded investors across the board lost heavily. The same scenario was reflected in India and towards the end of the financial year there was crisis in the stock market inspite of excellent budget. The tech melt down has had extremely negative impact to the overall sentiments in the market.

REVIEW OF OPERATIONS
The company performed well in the year under review, but for the write off as a result of losses suffered by its clients not being recoverable. In the current year since 4th April 2001 the Securities and Exchange Board of India (SEBI) has debarred the company from undertaking fresh business as a stockbroker and merchant banker till further order passed by SEBI. The company has made its representations to SEBI and the matter is on date pending before the SEBI Appellate Tribunal (SAT). The final order from SAT is awaited. The Board and the management trust that the company will come out of the crisis and the normal business of the company will begin, though the damage done is irreparable.

During the financial year 2000-01 the company has done the following business. The members may please note that the figures are not comparable this year (i.e.2001-02) since the SEBI order has brought the business to the grinding halt.

Your company achieved income from operations of Rs. 780 mn for the current year as compared to Rs. 419 mn for the previous year. The securities brokerage operations continues to be the core business where trades amounting to Rs. 537 bn bringing in brokerage income of Rs. 613 mn were executed. This business has grown significantly and your company's strategy to increase the business base by catering to newer clients and spreading geographically has paid off well during the year. During the current year since the SEBI's Order the company has completely stopped its core business and the board is in the process of divesting from companies, which represented the company for business outside of Mumbai.

The Company has achieved significant presence in the debt market due to its efforts to continuously penetrate that market. The company achieved a turnover of Rs. 210 bn and earned income of Rs. 10 mn.

Investment Banking business started picking up in the current year under review. The company had mandates for several Initial Public Offerings to be made in current year. The total investment banking income earned during the year was Rs.69 mn as compared to Rs.Nil in the previous year.

The assets under management were Rs. 48 mn at present as compared to Rs. 59 mn in the previous year.

All the above has been achieved because of significant contribution from our research team. But today no research can give the fruits with all the uncertain market and current scenario of the company.

SUBSIDIARY COMPANIES

Your company made investment in the Wholly Owned Subsidiary (WOS) in Mauritius during the year. The total investments made in the International Holdings (Triumph) Limited, Mauritius is US$ 350,000/-. The first financial year of the WOS will be 31st December 2001. The WOS has further invested in the company in UK, Triumph Securities UK Plc. Triumph Securities UK Plc has received an approval under the SFA (The Securities & Futures Authority), London, local laws in London for commencing business activities in UK.

Triumph Forex Services Limited could not successfully carry on the operations during the year. The company has made a Net Loss of Rs. 1.39 lac during the year under review. The board of the company accordingly decided discontinuing the present business of that company. Thus Triumph Forex is in the process of surrendering the FFMC license to RBI, and your company is in the process of divesting from the same.

Triumph Retail Broking Services Private Limited has not begun its operations during the year under review.

The company in the month of September 2000 was interested in the purchase of the office premises of its own. Accordingly the board had decided to purchase the office premises at ICICI Building , Backbay Reclamation, Mumbai. For the purpose of the purchase the office premises the company invested in the wholly owned subsidiaries namely Rubuy Millennium Infotech & Commmunication Private Limited, Metro Millennium Infotech & Commmunication Private Limited and Ruby Merchandise Private Limited. These WOS's made investments in the office premises at ICICI Building. But due to the approval not being received from the State Government, the deal for the purchase could not be completed and accordingly the deal was cancelled. The management is looking for the exit route from these companies, since the plan is cancelled on date.

The audited statement of accounts for the year ended March 31, 2001, of Triumph Forex Services Limited, Triumph Retail Broking Services Limited , Rubuy Millennium Infotech & Communication Private Limited, Metro Millennium Infotech & Communication Private Limited and Ruby Merchandise Private Limited together with the report of the Directors and the Auditors, as required under Section 212 of the Companies Act, 1956 is attached. International Holding (Triumph) Limited Mauritius is company incorporated on October 16th, 2000 and hence the first financial will close on December 31st, 2001, but statement as required under Section 212 of the Companies Act, 1956 is attached. Triumph Securities (UK) Plc, London was incorporated on July 4th, 2000. This wholly owned subsidiary of International Holding (Triumph) Ltd., Mauritius will close its financial year on December 31st, 2001, but a statement as required u/s 212 of the companies Act, 1956 is attached.

FUTURE OUTLOOK

The recent terrorist attack in the New York, USA has affected the global economy severely. It is difficult to predict the outcome of the war like situation and to what extent it would damage our economy and the global economy. Due to these uncertainties it seems it will take atleast six months for the global markets to stabiles. Further to this the outcome of the SEBI Order is still awaited, and the entire future of the company depends on the final order. The board appreciates and thanks all the members for showing the confidence in the management and Board, further look ahead for the same support in the years to come.

MANAGEMENT PERCEPTION TO AUDITORS QUALIFICATIONS

Note 1 (b) and Note 4 in schedule 'O' - Notes to Accounts, to the balance sheet state that the Company's ability to continue is dependet on two factors mentioned therein. Securities and Exchange Board of India in April 2001 has debarred the company from undertaking fresh business as a stockbroker or merchant banker till further notice. In addition due to stoppage of the business, the Company has suffered substantial liquidity problems after the Balance sheet date. Therefore, considering the stoppage of business and the liquidity problems, the Company's ability to continue is dependent on vacation of the order by SEBI and inflow from receivables. As stated above in the directors report the SAT Order is awaited and hence the entire future of the company depends on the final order of the SEBI. The note in itself is self explanatory and needs no further clarification.

Note 7 to Schedule 'O' to the Balance Sheet regarding amount of Rs. 205.81 crores & delivery of share (worth Rs. 65 crore at value as on 30.9.2001) receivable from Classic Credit Limited (CCL)

As to the recovery of the debts from CCL, the company has taken all the necessary steps for the recoveries of the dues. CCL has been the client of the company since long time. As explained under the review of operation above, the clients of the Company have suffered losses due to `tech melt down' in the Capital Market. The Company is in the process of recovery and taking all the necessary step in the best interest of the Company. The above note no. 7 is self explanatory and needs no further clarification.

DIRECTORS

During the year Mr. Ketan Parekh, Mr. Kartik Parekh and Mr. Vipul Parekh resigned and the Board accepted their resignations and expressed their sincere appreciation for the able manner in which they had carried out their duties as Directors.

In the current financial year Mr. Dharmen Shah resigned as a director the board accepted the resignations and expressed their sincere appreciation for the able manner in which he had carried out his duties as Director.

The Board proposes the re-appointment of Mr. A R Kapadia who retires by rotation at forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

The term of appointment of Mr. Dharmesh Doshi as Managing Director is due to complete on Oct. 31, 2001 the board recommend his reappointment as Managing Director w.e.f. November 1, 2001 for further term of 5 years.

DIRECTORS RESPONSIBILITY STATEMENT:
Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

a) that in the preparation of the accounts for the financial year ended 31st March, 2001, the applicable accounting standards have been followed along with proper explanation relating to material departures;
b) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) that the Directors have prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis subject to The Securitries and Exchange Board of India (SEBI) has debarred the Company from undertaking fresh business till further notice. Therefore, the Company's ability to continue as a going concern is dependent on vacation of order by SEBI.

AUDIT COMMITTEE
As a compliance of Corporate Governance guidelines and pursuant to the provisions of the Companies Act, 1956 the Board had constituted Audit Committee of the Directors, with following Directors:

Mr. Dharmesh Doshi
Mr. Dharmen Shah
Mr. A R Kapadia

On resignation of Mr. Dharmen Shah in the current financial year the above committee is reconstituted by inception of Mr. Jatin Sarvaiya in place of Mr. Dharmen Shah.

HUMAN RESOURCES AND INFORMATION TECHNOLOGY
The company has and continues to take various steps to improve the quality of its human resources. The Company has and continues to invest in technology and people to integrate its IT systems in business processes and to provide enhanced Service Quality.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGOING
The Company is advised that as it is not engaged in manufacturing activity there is no specific disclosure to be made as required under The Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 of the Conservation of Energy and Technology Absorption and other related particulars.
The foreign exchange earning during the year was Nil and the outgo was Rs.664, 767/- (Previous year Earning was Rs. 86,426/- and Outgo Rs. 368,575/-)

PARTICULARS REGARDING EMPLOYEES
Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Report and Accounts are being sent to all members excluding the statement of particulars of employees under Section 217(2A). Any member, interested in obtaining a copy of this statement, may write at the Registered Office of the Company.

AUDITORS
M/s. Pravin P.Shah & Co. Chartered Accountants and Auditors of your Company, retire and are eligible for re-appointment. The members are requested to consider their re-appointment for the financial year 2001 - 02.

CORPORATE GOVERNANCE:
The compliance of the corporate governance code mandated by SEBI under clause 49 of the Listing Agreement with the stock exchanges is required to be achieved by the end of Financial Year 2001-02. The Board has initiated steps towards compliance of the same.

ACKNOWLEDGEMENTS
The directors wish to place on record their appreciation for the timely support and co-ordination given to the Company by employees at all levels of the Company, its Bankers, Clients all those who have directly/indirectly contributed to the Company's progress and above all you, the Shareholders, of the Company.

On behalf of the Board of Director's

Jatin Sarvaiya
Managing Director

Mumbai
11th October, 2001

AUDITORS' REPORT

To the Members of
TRIUMPH INTERNATIONAL FINANCE INDIA LIMITED
Mumbai

We have audited the attached Balance Sheet of **TRIUMPH INTERNATIONAL FINANCE INDIA LIMITED** as at 31st March, 2001 and the attached Profit and Loss Account for the year ended on 31st March, 2001 and report as under

1. 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
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
3. The Balance Sheet and the Profit and 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 the Balance Sheet comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
5. On the basis of the written representation received from the directors of the Company and taken on record by the Board of Directors, we report that none of the directors were disqualified as on 31st March, 2001 from being appointed as directors in the terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. *We draw your attention to Note 1(b) and Note 4 in Sch. 'O' to the Balance Sheet. The Securities and Exchange Board of India has debarred the Company from undertaking fresh business till further notice. Therefore, the Company's ability to continue as a going concern is dependent on vacation of order by SEBI.*
7. *We draw your attention to Note 7 in Sch. 'O' to the Balance Sheet about amount of Rs. 205.81 crores and delivery of shares worth Rs. 65 crores at the value as on 30.9.2001 receivable from Classic Credit Limited (CCL). Based on the evidence made available to us, we are unable to express an opinion on the recoverability of this amount and the likelyhood of the receipt of delivery of those shares from CCL and the consequential effect thereof on the loss for the year and on the assets, liabilities and the reserves stated in the Balance Sheet.*

   Except for the above matter in respect of which the amount involved are significant and in reciept to which we are unable to express an opinion regarding the recoverability of amount and delivery of these shares, in our opinion and to the best of his information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account read with the Notes to Accounts thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

   (a) in case of the Balance Sheet, of the state of affairs of the Company as at 31 st March, 2001, and

   (b) in case of the Profit and Loss Account, of the loss for the year ended on 31 st March, 2001.
8. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us during the normal course of audit and to the best of our knowledge and belief, we further state that :

   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets. According to the information and explanations given to us, save and except the Fixed Assets namely, Plant & Machinery, Factory Building at Ankleshwar, Oil Fired Boiler, Electrical Installations, Laboratory Equipments and other Fixed Assets namely Office Premises at Baroda and Vehicles which are not in possession of the Company, all the other Fixed Assets have been physically verified by the management at the year end, which in our opinion is reasonable having regard to the size of the Company and the nature of the Fixed Assets. We have been informed by the management that no material discrepancies were noticed on such physical verification.

   (b) None of the Fixed Assets have been revalued during the year under audit.

   (c) According to the information and explanations given to us, the Trading Stock has been physically verified by the management at the year end. In our opinion, the frequency of verification of the Trading Stock was reasonable.

   (d) In our opinion, and according to the information and explanations given to us, the procedures for physical verification of the Trading Stock followed by the management is reasonable and adequate having regard to the size of the Company and the nature of its business.

   (e) According to the information and explanations given to us, no material discrepancies have been noticed on the physical verification of the Trading Stock as compared to the book records except for some discrepancies in certain items of the stock for which the management is in the process of recovering the same.

   (f) In our opinion, and on the basis of our examination of books of accounts and the stock records, the valuation of the stock-in-trade, is fair and proper and in accordance with the normally accepted accounting principles.

   (g) The company has taken interest free loan from companies listed in the register maintained u/s 301. In our opinion and according to the explanation given to us, the other terms and conditions of such interest free loans are not prima facie prejudicial to the interest of the Company. The Company has not taken loans from firms or other parties listed in the register maintained u/s 301 and from companies under the same management as defined u/s 370 (1-B) of the companies Act, 1956.

   (h) According to the information and explanations given to us, the Company has given interest-free loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. In our opinion, and according to the information and explanations given to us, the other terms and conditions of such interest-free loans are not prima facie prejudicial to the interest of the Company. The Company has not given any loans to the companies under the same management as defined under subsection (1-B) of section 370 of the Companies Act, 1956.

(i) According to the information and explanations given to us, the Company has given loans, or advances in the nature of loans to the parties during the year under audit. The parties are regular in payment of interest and repayment of principal wherever stipulated.

(j) In our opinion, and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for purchase of equipment and other assets and for the sale of goods.

(k) In our opinion, and according to the information and explanations given to us, no transactions of purchase of materials and sale of material 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. 50,000 (Rupees fifty thousand only) or more in respect of each party, have been entered into. However, such transaction of purchase of goods and sale of goods and services are made at the prices at which such services are sold to the other parties.

(l) According to the information and explanations given to us, the company did not carry on any manufacturing activity, during the year under audit, and hence, the question of adequate provision for loss on account of unserviceable or damaged raw materials, finished goods and stores does not arise.

(m) According to the information and explanations given to us, the Company has not accepted deposits from the public as defined in the directives issued by the Reserve Bank of India and provisions of section 58A of the Companies Act, 1956 and rules framed thereunder, and hence, in our opinion, the other provisions of the same are not applicable to the Company.

(n) According to the information and explanations given to us, the Company did not have any manufacturing activity during the year under audit, and hence, the question of maintenance of records for the sale and disposal of realisable by-products and scraps does not arise.

(o) According to the information and explanations given to us, the Company has a formal internal audit system commensurate with the size and nature of its business. However, no formal reports have been created. We have been informed that the querries were solved on the spot.

(p) According to the information and explanations given to us, the Company did not have any manufacturing activity during the period under audit, and hence, the maintenance of Cost records under section 209(1)(d) of the Companies Act, 1956 does not arise.

(q) On verification of the records and according to the information and explanations given to us, the Company was regular in depositing Provident Fund and ESIC dues with the appropriate authority.

(r) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at the last day of the year under audit for a period of more than six months from the date they became payable.

(s) In our opinion, and according to the information and explanations given to us, no personal expenses other than those payable under contractual obligations or in accordance with the generally accepted business practice have been charged to the revenue account.

(t) The Company is not a sick industrial Company within the meaning of clause (o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

(u) According to the information and explanations given to us, the services rendered by the Company do not involve utilisation of materials and stores, and hence, the question of having reasonable system of recording receipts, issues and consumption of materials and stores, and allocating materials and stores consumed to the relative jobs does not arise.

(v) According to the information and explanations given to us and considering the nature of services rendered by the Company, in our opinion, it is not possible to allocate the man hours utilised to the relative jobs.

(w) According to the information and explanations given to us the services rendered by the Company does not involve utilisation of materials or stores and allocation of man-hours to the relative jobs and hence, the question of having a reasonable system of authorisation at proper levels and adequate system of internal control commensurate with the size of the Company does not arise.

(x) According to the information and the explanations given to us, there are no damaged goods in case of trading activities of the Company.

(y) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(z) According to the information and explanations given to us, the provisions of any special statute applicable to chit fund, nidhi or mutual benefit society are not applicable to the Company.

(aa) According to the information and explanations given to us, the Company has maintained proper records of the transactions of securities and contracts thereof and timely entries have been made therein. Further, all the investments of the Company are held by the Company in its own name except to the extent allowable under section 49 of the Companies Act, 1956.

For **PRAVIN P. SHAH & COMPANY**
CHARTERED ACCOUNTANTS

(PARAG P. DOSHI)
PARTNER

PLACE : MUMBAI
DATED : 11th October, 2001

BALANCE SHEET AS AT 31ST MARCH, 2001

(In Rs.)

	SCHEDULE	AS AT 31ST MARCH, 2001	AS AT 31ST MARCH, 2000
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share Capital	A	75,000,000	110,000,000
Reserves and Surplus	B	322,932,943	432,000,473
LOAN FUNDS :			
Secured Loans	C	1,037,706,514	2,200,000
Unsecured Loans	D	52,222,083	-
TOTAL SOURCES OF FUNDS		1,487,861,540	544,200,473
APPLICATION OF FUNDS :			
FIXED ASSETS :	E		
Gross Block		81,206,781	16,620,871
Less : Depreciation		10,011,838	8,553,268
NET BLOCK		71,194,943	8,067,603
INVESTMENTS	F	112,457,830	71,529,900
CURRENT ASSETS, LOANS & ADVANCES :	G		
CURRENT ASSETS :			
Stock-in-trade		36,690,153	267,007,121
Sundry Debtors		2,438,509,011	287,677,167
Cash and Bank Balances		619,690,092	181,237,052
LOANS AND ADVANCES		430,499,010	260,634,903
		3,525,388,266	996,556,243
LESS:CURRENT LIABILITIES & PROVISIONS :	H		
Current Liabilities		2,162,826,304	356,597,411
Provisions		125,135,561	175,899,383
		2,287,961,865	532,496,794
NET CURRENT ASSETS		1,237,426,401	464,059,449
MISCELLANEOUS EXPENDITURE :			
(To the extent not written off or adjusted)			
Preliminary Expenses		456,402	543,521
PROFIT AND LOSS ACCOUNT	I	66,325,964	-
TOTAL FUNDS EMPLOYED		1,487,861,540	544,200,473

NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT — O

AS PER OUR REPORT OF EVEN DATE ATTACHED HEREWITH

FOR **PRAVIN P. SHAH & COMPANY**
CHARTERED ACCOUNTANTS

PARAG DOSHI
PARTNER

PLACE : MUMBAI
DATED : 11TH OCTOBER , 2001

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

DHARMESH DOSHI — MANAGING DIRECTOR
JATIN SARVAIYA — MANAGING DIRECTOR
A. R. KAPADIYA — DIRECTOR

PLACE : MUMBAI
DATED : 11TH OCTOBER, 2001

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2001

(In Rs.)

	SCHEDULE			FOR THE YEAR ENDED 31ST MARCH, 2001	FOR THE YEAR ENDED 31ST MARCH, 2000
INCOME					
Sales				4,324,183,564	5,183,684,016
Income From Operations	J			780,379,390	419,076,354
TOTAL INCOME				5,104,562,954	5,602,760,370
EXPENDITURE :					
Cost of Sales	K			4,372,567,820	5,165,020,290
Operating and Administration Costs	L			162,254,236	66,448,470
Financial Costs	M			191,276,744	47,182,548
Employees Costs	N			10,777,558	14,065,049
Loss on Sale of Assets				-	93,305
Bad debts and Balance w/off				520,463,394	1,411,307
Preliminary & Miscellaneous Expenses Written Off				87,119	87,119
Depreciation				1,458,570	853,379
Provision for doubtful debts				9,013,842	0
TOTAL EXPENDITURE				5,267,899,283	5,295,161,467
PROFIT / (LOSS) BEFORE TAX				(163,336,329)	307,598,903
Less : Provision for Taxation				-	114,500,000
PROFIT / (LOSS) AFTER TAX				(163,336,329)	193,098,903
Add / (Less) : Prior Years Adjustments				(7,494,698)	64,225
				(170,831,027)	193,163,128
Add : Balance brought forward from the previous year			44,067,530		
Less : Transfer to Capital Redemption Reserve		35,000,000			
Interim Dividend of Preference Shares paid		3,739,727			
Tax on Preference Dividend Paid		822,740	39,562,467	4,505,063	5,803,784
BALANCE AVAILABLE FOR APPROPRIATION				(166,325,964)	198,966,913
Proposed Dividends :					
On Preference Shares				-	5,250,000
On Equity Shares				-	44,208,904
Tax on distributed profits				-	5,440,479
Transfer to General Reserve				-	100,000,000
BALANCE CARRIED TO THE BALANCE SHEET				(166,325,964)	44,067,530
NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT	O				

AS PER OUR REPORT OF EVEN DATE ATTACHED HEREWITH

FOR **PRAVIN P. SHAH & COMPANY**
CHARTERED ACCOUNTANTS

PARAG DOSHI
PARTNER

PLACE : MUMBAI
DATED : 11TH OCTOBER , 2001

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

DHARMESH DOSHI MANAGING DIRECTOR

JATIN SARVAIYA MANAGING DIRECTOR

A. R. KAPADIYA DIRECTOR

PLACE : MUMBAI
DATED : 11TH OCTOBER, 2001

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

(In Rs.)

SCHEDULE	AS AT 31ST MARCH, 2001	AS AT 31ST MARCH, 2000
SCHEDULE A : SHARE CAPITAL		
AUTHORISED :		
80,00,000 Equity Shares of Rs. 10/- each (Previous Year-80,00,000 Equity Shares of Rs. 10/- each) and 4,00,000 Preference Shares of Rs. 100/- each (Previous Year -400,000 Preference Shares of Rs. 100/- each)	120,000,000	120,000,000
ISSUED, SUBSCRIBED AND PAID-UP :		
7,500,000 Equity Shares of Rs 10 each (Previous Year - 7,500,000 Equity Shares of Rs. 10 each) Of the above Equity Shares, 3,573,100 Equity Shares of Rs 10/- each were issued on account of Amalgamation.	75,000,000	75,000,000
350,000 15% Redeemable CumulativePreference Shares of Rs. 100/- Each (Redeemable after the expiry of 42 months from the date of allotment i.e. 300,000 shares on 20.01.2001 and 50,000 shares on 28.01.2002) (Previous Year -350,000 15% Redeemable Cumulative Preference Shares of Rs. 100/- each)	-	35,000,000
TOTAL	75,000,000	110,000,000
SCHEDULE B : RESERVES AND SURPLUS		
Capital Reserve	95,000	95,000
Share Premium Account	287,837,943	287,837,943
General Reserve	-	100,000,000
Capital Redemption Reserve	35,000,000	-
Profit and Loss Account	-	44,067,530
TOTAL	322,932,943	432,000,473
SCHEDULE C : SECURED LOANS		
LOANS AND ADVANCES FROM BANKS		
From Banks	1,037,706,514	2,200,000
TOTAL	1,037,706,514	2,200,000
NOTES :		
1. The overdraft facility from Scheduled Bank is secured by Hypothecation of Inventories, pledge of securities, present and future Book Debts, other receivables of the Company and personal guarantee of the Directors and Ex-Directors of the Company and the guarntee of the Company in which Ex-Directors are interested.		
SCHEDULE D : UNSECURED LOANS		
From others	52,222,083	-
TOTAL	52,222,083	-