

**AUDITORS' REPORT**

TO,
THE MEMBERS,
AJWA FUN WORLD & RESORT LIMITED

We have Audited the attached Balance Sheet of **AJWA FUN WORLD & RESORT LIMITED**, as at **31st March, 1995** and also the annexed Profit and Loss Account of the Company for the period ended on that date and report that :

1. 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, we give in the annexure a statement on the matter specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
 - i We have obtained all the information and explanations which, 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, so far as appears from our examination of the books.
 - iii The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Account.
 - iv Attention is invited to the following notes in Schedule No. 19.
 - a. Note No. 12 regarding change in method of providing depreciation.
 - b. Note No. 20 regarding loss on Sale of Investments.
 - c. Note No. 21 regarding holding the investments in the name of the Company.
 - v Subject to the foregoing 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 :
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1995; and
 - b) In the case of the Profit and Loss Account, of the "Profit" for the period ended on that date.

For M/s. R.C.DEOPURA & CO.
CHARTERED ACCOUNTANTS

(R. C. DEOPURA)
Proprietor

Place : Baroda
Date : 30th June, 1995

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE.

1. The Company is maintaining proper records to show full particulars, including quantitative details and situation of Fixed Assets. The Fixed Assets have been physically verified by the management at reasonable intervals and that no material discrepancies were noticed on such verification as compared with the aforesaid records.
2. None of the Fixed Assets of the Company have been revalued during the year.
3. As informed to us, Physical verification has been conducted by the management at reasonable intervals during the year in respect of Stores, Spare Parts etc.
4. In our opinion and as informed to us, the procedures of Physical verification of Stocks, followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. We are informed that no material discrepancies have been noticed on physical verification of stocks as compared to book records.
6. In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles. This being first year of operations of the Company, question of valuation on the same basis as in the preceding year does not arise.
7. As informed to us, the Company has taken unsecured Loans from the Companies under the same management as defined u/s 370 (1B) of the Companies Act, 1956. The Company has also taken unsecured loans from the parties as listed in the register maintained u/s 301 of the Companies Act, 1956. In our opinion, the rate of interest and other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the Company.
8. As informed to us, the Company has given Loans, to Companies, under the same management as defined under Section 370 (1B) of the Companies Act, 1956. In our opinion the rate of interest and other terms and conditions of such loans are prima facie, not prejudicial to the interest of the Company.
9. In our opinion and as explained to us the parties to whom the loans have been given by the Company are repaying the principal amounts as stipulated and are also regular in payment of interest, wherever such stipulations are being made.
10. In our opinion, there is an adequate internal control procedure, commensurate with the size of the Company and the nature of its business, for the purchase of Stores,



- Raw Materials including Componens, Plant & Machinery, Equipment and other assets and for the sale of goods and rendering services.
11. In our opinion and according to the information and explanations given to us, the transactions of goods or services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 50,000/- or more in respect of each such party have been made at prices which are reasonable having regard to prevailing market prices for such goods or services or the prices at which transactions for similar goods or services have been made with other parties.
 12. As informed to us the Company has a regular procedure for determination of unserviceable or damaged Stores. Necessary provisions have been made in the accounts for any loss arising on the items so determined.
 13. In our opinion, the Company has not accepted any deposit which falls within the purview of section 58 A of the Companies Act, 1956 and rules framed thereunder.
 14. As informed to us, the Company is maintaining reasonable records for the sale and disposal of scrap. The Company being a service company, has no by products.
 15. In our opinion and as informed to us the Company is having internal audit system commensurate with the size & nature of its business.
 16. As informed to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 since it is a service Company.
 17. As informed to us, provisions of Provident Fund and other Miscellaneous provisions Act are not applicable to the Company.
 18. In our opinion, and according to the information and explanations provided to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty or Excise Duty were outstanding as at the date of Balance Sheet, for a period of more than six months from the date they became payable.
 19. According to the information and explanations given to us, and the records of the Company examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business practice.
 20. 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.
 21. As informed to us, the nature of services rendered by the Company during the period under review is such, which do not involve allocation of manhours as well as consumption of material and therefore no records for the same have been maintained.

For M/s. R. C. DEOPURA & CO.
CHARTERED ACCOUNTANTS

(R. C. DEOPURA)
Proprietor

Place : Baroda.
Date : 30th June, 1995



BALANCE SHEET AS AT 31ST MARCH, 1995

[RUPEES]

PARTICULARS	SCHEDULE		AS AT 31/3/95	AS AT 31/3/94
SOURCES OF FUNDS :				
SHARE HOLDERS' FUNDS				
a. Share Capital	1	50,000,000		10,302,000
b. Share Application Money		3,164,500		2,835,500
c. Reserve & Surplus	2	9,806,634		---
			62,971,134	13,137,500
LOAN FUNDS				
a. Secured Loans	3	17,483,762		---
b. Unsecured Loans	4	5,002,727		504,469
			22,486,489	504,469
TOTAL			85,457,623	13,641,969
APPLICATION OF FUNDS :				
FIXED ASSETS				
a. Gross Block	5	72,660,763		13,017,429
b. Less : Depreciation		1,824,847		85,506
			70,835,916	12,931,923
c. Pre-Operative Expenses (Pending Allocation)	6		6,221,413	974,650
INVESTMENTS	7		10,971,878	---
CURRENT ASSETS, LOANS & ADVANCES				
a. Store Inventories		12,895		---
b. Sundry Debtors	8	532,410		---
c. Cash & Bank Balances	9	1,986,423		117,531
d. Other Current Assets	10	795,657		---
e. Loans & Advances	11	7,139,975		2,782,227
		10,467,360		2,899,758
LESS : CURRENT LIABILITIES & PROVISIONS	12	18,500,579		3,638,042
NET CURRENT ASSETS			(8,033,219)	(738,284)
MISCELLANEOUS EXPENDITURE	13		5,461,635	523,680
TOTAL			85,457,623	13,641,969
NOTES ON ACCOUNTS	19			

As per our Report of even Date
For M/s. R.C.DEOPURA & CO.
CHARTERED ACCOUNTANTS

(R. C. DEOPURA)
Proprietor

PLACE : BARODA

DATE : 30TH JUNE, 1995

For and on behalf of the Board

RAJESH C. JAIN
Chairman & Managing Director

PLACE : BARODA

DATE : 30TH JUNE, 1995

DHANRAJ R. JAIN
VIJAYBALA R. JAIN
Directors



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1995

[RUPEES]

PARTICULARS	SCHEDULE	AS AT 31/3/95	AS AT 31/3/94
INCOME :			
a. Sales/Income from Operations	14	10,873,480	---
b. Other Income	15	11,355,196	---
TOTAL		22,228,676	---
EXPENDITURE :			
a. Park Operating Expenses	16	6,897,239	---
b. Administrative & Other Expenses	17	6,547,220	501,486
c. Financial Expenses	18	1,877,270	17,171
d. Depreciation		1,788,523	85,506
e. Miscellaneous Expenses Written Off		845,465	14,480
		17,955,717	708,643
Less: Amount Charged to pre-Operative Expenses		7,033,675	708,643
TOTAL		10,922,042	---
PROFIT FOR THE YEAR BEFORE TAX.		11,306,634	---
PROVISION FOR TAXATION		1,500,000	---
NET PROFIT FOR THE YEAR AFTER TAX		9,806,634	---
ADD : BALANCE BROUGHT FORWARD		---	---
BALANCE CARRIED TO BALANCE SHEET		9,806,634	---

NOTES ON ACCOUNTS

19

As per our Report of even Date
For M/s. R.C.DEOPURA & CO.
CHARTERED ACCOUNTANTS

(R. C. DEOPURA)
Proprietor

PLACE : BARODA

DATE : 30TH JUNE, 1995

For and on behalf of the Board

RAJESH C. JAIN
Chairman & Managing Director

DHANRAJ R. JAIN
VIJAYBALA R. JAIN
Directors

PLACE : BARODA

DATE : 30TH JUNE, 1995



SCHEDULE ANNEXED TO THE ACCOUNTS

[RUPEES]

	AS AT 31/3/95	AS AT 31/3/94
SCHEDULE : [1] : SHARE CAPITAL :		
AUTHORISED		
25,000,000 Equity Shares of Rs.10/- each		
[Previous Year 5,000,000 Equity Shares of Rs.10/- each]	250,000,000	50,000,000
ISSUED, SUBSCRIBED & PAID UP		
5,000,000 Equity Shares of Rs.10/- each fully paid up		
[Previous year 1,030,200 Equity Shares of Rs.10/- each fully Paid-up.]	50,000,000	10,302,000
TOTAL	50,000,000	10,302,000
SCHEDULE : [2] : RESERVE & SURPLUS :		
Balance in Profit & Loss Account	9,806,634	
TOTAL	9,806,634	
SCHEDULE : [3] : SECURED LOANS :		
a. Term loan from Bank of Baroda [Secured by equitable mortgage of Land & Building and hypothecation of Plant & Machineries & other fixed Assets & personal guarantee of Directors.] [Repayable within One Year Rs.4,375,000/-]	15,156,150	
b. Loan from Anagram Finance Limited [Secured Against Motor Cars purchased through them under hire purchase Scheme.] [Repayable within One Year Rs.189,324/-]	639,839	
c. Loan from Ashok Leyland Finance Limited [Secured Against Buses Purchased through them under hire purchase Scheme.] [Repayable within one year Rs.466,316/-]	1,687,773	
TOTAL	17,483,762	
SCHEDULE : [4] : UNSECURED LOANS :		
a. From Directors	2,374,365	479,469
b. Inter Corporate Deposits	2,590,862	
c. Other Deposits	37,500	25,000
TOTAL	5,002,727	504,469



SCHEDULE ANNEXED TO THE ACCOUNTS

[RUPEES]

SCHEDULE : [5] : FIXED ASSETS :

PARTICULARS	AS ON 1/4/94	GROSS BLOCK		AS ON 31/03/95	UP TO 31/3/94	DEPRECIATION BLOCK			NET BLOCK	
		ADDITIONS DURING THE YEAR	DEDUCTION/ ADJUSTMENT			UP TO 31/3/94	WRITTEN BACK AS ON 1/4/95	ADDITION DURING THE YEAR	UP TO 31/03/95	AS ON 31/03/95
1. Land & Site Development	6,100,255	5,698,301	---	11,798,556	---	---	---	---	11,798,556	6,100,255
2. Building	220,375	4,105,727	---	4,326,102	15,818	10,837	78,265	83,246	4,247,856	204,557
3. Plant & Machinerles	3,421,610	12,161,628	---	15,583,238	---	---	406,711	406,711	15,176,527	3,421,610
4. Office Equipments	24,500	123,338	---	147,838	2,334	1,533	6,277	7,078	140,760	22,166
5. Furnitures & Fixtures	1,850	90,734	---	92,584	227	151	3,815	3,891	88,693	1,623
6. Vehicles	743,875	2,822,403	---	3,566,278	67,177	36,661	122,674	153,140	3,413,138	676,748
7. Asset on Lease Plant & Machinerles	---	7,500,000	---	7,500,000	---	---	937,500	937,500	6,562,500	---
8. Temporary Construction	---	698,640	---	698,640	---	---	233,281	233,281	465,359	---
TOTAL [A]	10,517,465	33,200,771	---	43,713,736	85,506	49,182	1,788,523	1,824,847	41,888,389	10,426,050
CAPITAL WORK IN PROGRESS										
1. Material at Site	---	555,267	---	555,267	---	---	---	---	555,267	---
2. Building & civil construction	2,504,964	21,448,634	1,513,640	22,439,958	---	---	---	---	27,439,958	22,439,958
3. Plant & Machinerles	---	5,952,302	---	5,952,302	---	---	---	---	5,952,302	---
TOTAL [B]	2,504,964	27,956,203	1,513,640	28,947,527	---	---	---	---	28,947,527	2,504,964
TOTAL [A] + [B]	13,017,429	61,156,974	1,513,640	72,660,763	85,506	49,182	1,788,523	1,824,847	70,835,916	12,931,923
PREVIOUS YEAR :	---	3,017,429	---	13,017,429	---	---	85,506	85,506	12,931,923	---

NOTE : Land and Site Development includes Land amounting to Rs.3,751,350/- for which necessary documents are yet to be executed in favour of company.

AS AT 31/3/95 AS AT 31/3/94

SCHEDULE : [6] : PRE-OPERATIVE EXPENSES :
(PENDING ALLOCATION)

As per Last Balance Sheet		924,650	216,007
Less: a. Surplus due to change in Depreciation Method	49,182		
b. Preliminary Expenses Written back	20,863	70,045	
		854,605	216,007
Add : Transferred from Profit & Loss A/c.		7,033,675	708,643
		7,888,280	924,650
Less: Capitalised to Fixed Assets		1,666,867	---
TOTAL		6,221,413	924,650



SCHEDULE ANNEXED TO THE ACCOUNTS

[RUPEES]

	AS AT 31/3/95	AS AT 31/3/94
SCHEDULE : [7] : INVESTMENTS :		
[Non Trade] [At Cost]		
Quoted.(Equity Shares of Companies)		
a. 400,000 Equity Shares of Rs.10/- each fully paid of Vatsa Industries Ltd. (Market Value Rs. 33,000,000)	10,564,182	
b. 1,500 Equity Shares of Rs.10/- each fully paid of Rencal Chemicals (I) Limited (Market Value Rs. 56,250)	64,821	---
c. 17,500 Equity Shares of Rs.10/- each fully paid of Trans Techno (Market Value Rs. 262,500)	342,875	---
TOTAL	10,971,878	---
SCHEDULE : [8] : SUNDRY DEBTORS :		
[Unsecured, considered good]		
a. Debt outstanding for a period Exceeding Six months	---	---
b. Others	532,410	---
TOTAL	532,410	---
SCHEDULE : [9] : CASH & BANK BALANCES :		
a. Cash on hand (Inclusive of Cheques on hand Rs. 58,059/-)	1,176,139	38,599
b. Balance with Scheduled Banks :		
- In Current Accounts	194,920	78,937
- In Margin Accounts	589,500	---
- In Issue Control Accounts	25,864	---
TOTAL	1,986,423	117,531
SCHEDULE : [10] : OTHER CURRENT ASSETS :		
Lease Terminal Adjustment Account	795,657	---
TOTAL	795,657	---



SCHEDULE ANNEXED TO THE ACCOUNTS

[RUPEES]

AS AT 31/3/95 AS AT 31/3/94

SCHEDULE : [11] : LOANS & ADVANCES :

a. Loans

b. Advances :

[Recoverable in cash or in kind or
for value to be received]

- Deposits with various agencies	1,954,358	129,375
- Advance to Suppliers	2,482,668	2,524,857
- Prepaid Expenses	162,434	--
- Share Application Money	2,500,000	--
- Other Advances	36,000	118,000
- Staff Advances	4,515	10,000
TOTAL	7,139,975	2,782,227

SCHEDULE : [12] : CURRENT LIABILITIES & PROVISIONS :

CURRENT LIABILITIES :

a. Sundry Creditors	14,822,578	3,427,765
b. Bank Account Overdrawn (Current A/c with Scheduled Bank)	320,136	25,427
c. Lease Income due but not Accrued	237,938	--
d. Other Liabilities	436,012	37,532
	15,816,664	3,490,724

PROVISIONS :

a. Provision for Expenses	1,202,071	147,318
b. Provision for Taxation	1,481,844	--
	2,683,915	147,318
TOTAL	18,500,579	3,638,042



SCHEDULE ANNEXED TO THE ACCOUNTS

[RUPEES]

AS AT 31/3/95 AS AT 31/3/94

SCHEDULE : [13] : MISCELLANEOUS EXPENDITURE :
[to the extent not written off/adjusted]

a. Preliminary Expenses

Balance as per last Balance Sheet	181,379		51,059
Add : Addition during the year			144,800
- Preliminary Exps. Written Back	20,863		
- Public Issue Expenses	3,613,018		
- Expense for Increase in Authorised Capital	600,000		
	4,415,260		195,859
Less : 1. Interest Income on Application money	255,710		
2. 1/10th Proportionately written off for the year	415,955	3,743,595	14,480
		3,743,595	181,379

b. Deferred Revenue Expenses

Balance as per last Balance Sheet.	342,301		123,652
Add : Addition during the year	1,805,249		218,649
	2,147,550		342,301
Less : 1/5th Proportionately written off for the year	429,510	1,718,040	---
		1,718,040	342,301
TOTAL		5,461,635	523,680

SCHEDULE : [14] : SALES/INCOME FROM OPERATIONS :

a. Amusement Park Income		8,786,381	
b. Garden Income		267,817	
c. Restaurant Income		748,188	
d. Lease Income			
- Lease Rentals	237,937		
- Lease Management Fees	37,500		
- Lease Equalisation	795,657	1,071,094	
TOTAL		10,873,480	---



SCHEDULE ANNEXED TO THE ACCOUNTS

[RUPEES]

	AS AT 31/3/95	AS AT 31/3/94
SCHEDULE : [15] : OTHER INCOME :		
a. Income from Investments	10,968,520	---
b. Interest Income	363,928	---
c. Miscellaneous Income	22,748	---
TOTAL	11,355,196	---
SCHEDULE : [16] : PARK OPERATING EXPENSES :		
a. Rides Hiring Charges	3,000,000	---
b. Water Expenses	23,430	---
c. Electricity Expenses	689,014	---
d. Repair & Maintenance	172,487	---
e. Stores & Spares Parts Consumed	59,827	---
f. Labour Charges & Wages	901,925	---
g. Labour Welfare Expenses	81,870	---
h. Security Expenses	206,068	---
i. Miscellaneous Rent Expenses	179,274	---
j. Garden Licence Fees	300,152	---
k. Restaurant Expenses	636,977	---
l. Generator Rent Expenses	646,215	---
TOTAL	6,897,239	---
SCHEDULE : [17] : ADMINISTRATIVE & OTHER EXPENSES :		
a. PAYMENT TO & PROVISION FOR EMPLOYEES :		
Managerial Remuneration	390,000	90,000
Salary to Staff	1,715,195	73,458
Staff Welfare Expenses	225,612	13,793
	2,330,807	177,251
b. ADMINISTRATIVE & GENERAL EXPENSES :		
Technical Consultancy Charges	2,291,460	50,100
Legal & Professional Expenses	95,315	9,315
Travelling Expenses	458,741	119,131
(Including Directors Travelling Rs. 106,022/- & Rs. 78,359/- is the expenditure on foreign travelling)		



SCHEDULE ANNEXED TO THE ACCOUNTS

[RUPEES]

	AS AT 31/3/95	AS AT 31/3/94
Office & General Expenses	268,360	99,362
Printing & Stationery	197,786	22,611
Postage, Telegram & Telephone Expenses	260,342	4,112
Petrol & Vehicle Expenses	362,677	85,488
Donation	40,355	151
Insurance Expenses	28,171	10,880
Auditor's Remuneration	30,000	10,000
Maintenance Expenses	46,894	3,085
Commission & Discount Expenses	136,312	
	4,216,413	
	4,216,413	414,235
TOTAL	6,547,220	591,486

SCHEDULE : [18] : FINANCIAL EXPENSES :

a. Bank Charges	229,318	4,041
b. Interest Expenses		
- To Bank	1,119,730	13,130
- To Others	459,988	
c. Finance (Hire) Charges	68,234	
TOTAL	1,877,270	17,171

SCHEDULE : [19] : "ACCOUNTING POLICIES & NOTES ON ACCOUNTS" :

A. "ACCOUNTING POLICIES" :

1. ACCOUNTING CONVENTIONS :

- i. The Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and as per the provisions of the Companies Act, 1956.
- ii. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles as consistently followed by the Company.

2. RECOGNITION OF INCOME/EXPENDITURE :

Revenue/Income and Cost/Expenditure are generally accounted on accrual basis as they are earned or incurred.

3. SALES/INCOME FROM OPERATIONS :

- i. Amusement Park/Garden Income is accounted on accrual basis i.e. date of visit to park/garden is the date of reckoning the Income. Like-wise restaurant income is treated as accrued at the time sales of snacks and beverages.
- ii. Lease Rentals.

The Company follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance note on Accounting for leases. Accordingly, lease rentals received/receivable under lease agreements have been accounted



as income adjusted by creating Lease Equalisation Account to ensure recognition of Net Income at a constant periodic rate of return on the net investment outstanding in the lease. Against the lease rentals a matching annual charge (which represents recovery of the net investments in the Leased Assets over the lease term) is made to the Profit & Loss Account.

4. INVESTMENTS :

- i. Investment are stated at cost.
- ii. Profit on sale of investments is accounted reckoning the first in first out (FIFO) method of accounting.

5. FIXED ASSETS AND DEPRECIATION :

- i. Fixed Assets are stated at cost of acquisition less accumulated depreciation. The fixed Assets which are not yet completed are treated as Capital Work-In-Progress and no depreciation is provided for the same.
- ii. Depreciation on Fixed Assets is provided on the Straight Line Method (S.L.M.) at the rates specified in Schedule XIV to the Companies Act, 1956, as amended upto the date of Balance Sheet since the company has changed its method of providing depreciation from written down method to Straight Line Method.
- iii. Depreciation is provided on pro-rata basis from the date on which assets have been put to use and upto the date on which assets have been disposed off or sold, however no Assets have been Sold / Discarded during the year.

6. EXPENDITURE DURING PROJECT IMPLEMENTATION & AMORTISATION :

- i. Pre-Operative Expenses for the projects of the Company incurred upto the date of Installation and pertaining to the completed Assets have been capitalised and added proportionately to the cost of relevant Fixed Assets.
- ii. As certain projects of the Company are still under progress the balance Pre-Operative Expenses pertaining to the assets under construction/installation, are carried forward to the next year, to be capitalised on completion of respective Fixed Assets.
- iii. The Preliminary Expenses incurred in connection with the incorporation of the Company and raising of Share Capital are amortised over a period of Ten Years.

7. VALUATION OF INVENTORIES:

Inventories of stores are valued at cost. Cost is arrived at by following Weighted average method of accounting.

8. DEFERRED REVENUE EXPENDITURE :

Expenses towards intensive advertisement campaign, as well as sales promotion, the benefit of which are expected to accrue over a number of years are treated as deferred revenue expenditure. Appropriate amounts are being written off every year.

B. "NOTES ON ACCOUNTS" :

9. Figures of Previous year have been regrouped/recast wherever necessary to make them comparable with the figures of Current year.
10. The Company has commenced commercial activities from 9th April, 1994 and thus this is the first Profit & Loss Account of the Company for the period from 9th April, 1994 to 31st March, 1995.
11. During the year Company has come out with a public issue of equity shares amounting to Rs.35,000,000/- which was fully Subscribed. Also equity Shares amounting to Rs. 4,698,000/- were allotted to the Promoters and their friends & relatives, consequently the Paid up equity Share Capital of the company has increased to Rs. 50,000,000/- as against Rs.10,302,000/- for the previous year.



12. During the year ended on 31.3.1995 Company has changed the method of providing depreciation from written down value method to straight line method and provided depreciation at the rates specified in Schedule XIV of the Companies Act, 1956 with retrospective effect. Surplus of depreciation on account of change of method Rs.49,182/- upto the year 1993-94 have been written back to the pre-operative expenditure account as no Profit & Loss Account were made for that period. Due to the said change there is ;

- a. Overstatement of Net Block of Fixed Assets and under statement of Pre-Operative Expenses as on 1st April, 1994 by Rs. 49,182/- and
- b. Profit for the current period is higher by Rs. 1,146,198/- than it would otherwise have been had the same method been followed.

13. Since the Company does not have any employee who has put in qualifying period of service, as required by the provisions of Gratuity Act, no provision for gratuity liability has been made.

14. AUDITORS REMUNERATION INCLUDES :	1994-95 [Rs.]	1993-94 [Rs.]
[1] Statutory Audit Fees	15,000	6,000
[2] Tax Audit Fees	5,000	---
[3] Company Law Matters Fees	5,000	3,000
[4] Taxation & Certification Work Fees	5,000	1,000
TOTAL	30,000	10,000

15. Balance due to or due from parties from whom confirmations are not received are subject to adjustment on receipt of confirmations including issue control account with the Bankers' to the issue.

16. LOANS & ADVANCES INCLUDES THE FOLLOWING :

- i Rs. 350,994/- given as advance to Unique Construction Private Limited a Company under the same management for civil work construction. Maximum outstanding during the year is Rs. 2,103,019/-.
- ii Rs. 76,471/- given as advance to Apple Amusement Industries Limited, a Company under the same management for Plant & Machineries. Maximum outstanding during the year is Rs. 3,493,514/-.
- iii Rs. 805,300/- given as advance to S.R.J.Builders Private Limited, a Company under the same management for purchase of Land. Maximum Outstanding during the year is Rs. 805,300/-.

[All these companies are under the same management as defined U/s 370 1(B) of the Companies Act, 1956.]

17. Managerial Remuneration represents Directors salary.

18. CONTINGENT LIABILITIES :

- i Capital contracts entered into by the company but not executed and not provided for by the Company amounting to Rs 14,398,143/- (net of advances).(previous year Rs. 34,110,281/-)
- ii The documents / goods to the extent of Rs. 2,148,000/- are yet to be received against the letter of Credits established by the bankers of the Company.(previous year - Nil.)
- iii Bank Guarantee given by the Bankers of the company Rs. 175,000/- (previous year - Nil.)

19. Provision for taxation has been made as per the present prevailing rules. Since this is the first year of operations, no assessment is yet made by the concern authorities.

20. The Company has incurred losses of Rs. 657,195/- on sale of its certain investments in Shares, which have been adjusted against profits on the sale of others. The income shown in the profit & loss account is the net income.



21. The investments made by the company are not held in its own name as per the provisions of section 49 of the Companies Act, 1956. These are in the process of transfer as at 31st March, 1995.
22. Additional information pursuant to the provisions of paragraphs 3 & 4 in part II of the Schedule VI of the Companies Act, 1956.

	1994-95	1993-94
i LICENCE AND INSTALLED CAPACITY :	Not Applicable	Not Applicable
ii RAW MATERIALS CONSUMPTION :	NIL	NIL
iii OPENING & CLOSING OF STOCK OF FINISHED GOODS :	NIL	NIL
iv C.I.F. VALUE OF IMPORTS :	NIL	NIL
v EXPENDITURE IN FOREIGN CURRENCY :	NIL	NIL
vi EARNINGS IN FOREIGN CURRENCY :	NIL	NIL
vii DIVIDEND TO NRI's :	NIL	NIL

23. Figures are rounded off to the nearest rupee.

Signatures to Schedules 1 to 19

**As per our Report of even Date
For M/s. R.C.DEOPURA & CO.
CHARTERED ACCOUNTANTS**

(R. C. DEOPURA)
Proprietor

PLACE : BARODA

DATE : 30TH JUNE, 1995

For and on behalf of the Board

RAJESH C. JAIN

Chairman & Managing Director

PLACE : BARODA

DATE : 30TH JUNE, 1995

**DHANRAJ R. JAIN
VIJAYBALA R. JAIN**
Directors