

ANNEXURE TO AUDITORS' REPORT

1. In respect of its fixed assets;
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) As explained to us, the fixed assets of significant values have been physically verified by the management in a phased periodical manner during the year and no material discrepancies were noticed on such physical verification.
 - (c) The Company has not disposed off any substantial part of its fixed assets during the year.

2. In respect of its inventories :
 - (a) The inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

3. In respect of the loans, secured or unsecured, granted or taken by the company to / from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act 1956.
 - (a) The Company has granted unsecured loan to one company and advance given to persons covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 44.82 lacs which is the year-end balance of loans.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are prima facie not prejudicial to the interest of the Company.
 - (c) according to the information and explanations given to us, the above loan has been given for regular business and would be treated as a current account, so there is no repayment schedule.

Branches: New Delhi, Mumbai, Jaipur, Gangtok, Durgapur.

