

Sequel e-Routers Ltd.

Computing For Business Intelligence.

39, Swati Society, Opp. J. B. House, Ishwar
Bhuvan Road, Navrangpura, Ahmedabad-9.

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ANNUAL REPORT

2002 - 2003

For Sequel e-Routers Ltd.

D. H. Dani

Board of Directors :

Shri Dharmendra Jani Chairman
Shri Biren Shah Director
Shri Virendra Jani Director
Shri Naresh Shah Director

Registered and Corporate Office :

39, Swati Society,
Opp. J. B. House,
Ishwar Bhavan Road,
Navrangpura,
Ahmedabad-380009.

Bankers :

UTI Bank Ltd.

Register & Share Transfer Agents :

Shreepro Services
Satam Estate, 3rd Floor,
Above Bank of Baroda,
C. G. Road Chakla,
Andheri (E), Mumbai.

Auditors :

S. P. Thakker & Associates
2nd Floor, Asha Complex,
Navrangpura,
Ahmedabad.

NOTICE

Notice is hereby given that the Annual General Meeting of the members of **Sequel e-Routers Ltd.** will be held at :

Venue	39, Swati Society, Opp. J. B. House, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009.
Date	30th Sept; 2003
Time	9-30 a.m.

to transact the following business :

ORDINARY BUSINESS

1. To receive consider and adopt the Audited Balance Sheet as at 31th March 2003 and Profit & Loss Account for the year ended 31st March 2003 and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Virendra Jani, who retires by rotation and being eligible offer himself for re appointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.
"RESOLVED THAT M/s. S. P. Thakker Associates be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General meeting at a remuneration to be fixed by the Board of Directors of the Company"

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.
"RESOLVED THAT Mr. Naresh Shah, be and is hereby appointed as a Director of the Company"

Place : Ahmedabad.

Date : 31st July, 2003

**By Order of the Board
Sequel e-Routers Ltd.**

Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED BE A MEMBER THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed for the purpose of Annual General Meeting from 24th Sept; 2003 to 30th Sept; 2003 (both days inclusive).
3. Members are requested to advise indicating their folio number, the change of their addresses, if any, to M/s. Sharepro Services, the Registrar and share Transfer Agent of the company.
4. Please note that your Company's Shares are compulsorily traded in Electronic Form, Your Company has already entered in the agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), Members who hold shares in physical form and desirous to convert them in Dematerialised form, may send letters along with the Dematerialised Request Form (s) through the concerned Depository Participant.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item no. 4 :-

Mr. Naresh Shah was appointed as an additional Director on 30th April, 2003.

Notice in writing under Sub Section (1) of Section 257 of the Companies Act, 1956 has been received from a member of the company proposing the candidature of Mr. Naresh Shah for the office of Director alongwith a deposit of Rs. 500.

No Director of the Company except Mr. Naresh Shah is concerned or interested in the Resolution as set out in Item no. 4

DIRECTOR'S REPORT

TO THE MEMBERS

The Directors have pleasure in presenting their Annual Report and Accounts for the year ended 31st March, 2003.

Financial Results

Particulars	Year ended 31 st March, 2003.	Year ended 31 st March, 2002.
Profit / (Loss) before Tax	(301550)	(319154)
Taxation	-----	-----
Profit / (Loss) After Tax	(301550)	(319154)
Profit / (Loss) brought forward from previous year	(23889848)	(23570694)
Balance carried forward	(24191398)	(23889848)

Dividend

In view of the accumulated losses of prior years, your Directors do not recommend any dividend for the year under review.

Director's Responsibility [Section 217 (2AA)]

In terms of Sec. 217 (2AA) of the Companies Act, 1956, your Directors like to inform the members that the audited accounts containing the financial statement for the year 2002-2003 are in full conformity with the requirements of the Act and they believe that the financial statement reflect fairly the form and substance of transactions carried out during the year and reasonably present the company's financial condition and results of operation. These financial statements are audited by the Statutory Auditors, M/s. S.P. Thakker & Associates.

Your Directors further confirm that :

- i. In the preparation of the Annual Accounts, applicable accounting standards have been followed;
- ii. The Directors have selected such accounting policies and applied them consistently. The accounting policies have been consistently applied and reasonable, prudent judgement and estimates are made 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 loss of the Company for the year under review.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of this Act for safeguarding the assets of the Company and for Company and for preventing and detecting fraud and other irregularities; and
- iv. Have prepared the Annual Accounts on a going concern basis.
The Company's Internal Auditor's have conducted periodic audit to provide reasonable assurance that the company's established policies and procedures have been followed.

Fixed Deposits

The Company has not accepted any Deposits from the Public during the year.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under Sub Section (1) (e) of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not given as it is not applicable.

Employees

Particulars of Employees required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable.

Corporate Governance

In terms of Clause 49 of the amended listing agreement, of the Mumbai / Ahmedabad Stock Exchange, a report on the Corporate Governance followed by the Company is given in Annexure 'A' which form part of the Director's Report.

Management Discussions and Analysis

A brief note on management discussion and analysis of the results for the year under review is given in Annexure 'B' which forms part of the Directors' Report.

Acknowledgement

Your Directors take this opportunity to thank Employees at all levels for their hard work, dedication and commitment and appreciate wholehearted co-operation received from Financial Institutions, Banks and other Government authorities during the year under review.

Place : Ahmedabad.
Date : 31st July, 2003

For, **Sequel e-Routers Ltd.**

Dharmendra Jani
(Chairman)

ANNEXURE 'A'

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) constituted the committee on Corporate Governance to promote and raise the standard of corporate governance of listed companies. The committee made recommendations on the composition of the board of directors, audit committee, board procedure etc. The Company is taking necessary steps to comply with the clause 49 of the Revised Listing Agreement, Given below is the report of the Directors on the corporate governance.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the information is placed before the shareholders.

BOARD OF DIRECTORS

Name of Director	Category	Date of Board Meeting					Date of AGM 30.9.2002
Name of Director		3.5.02	31.7.02	31.10.02	31.1.03	31.3.03	
Mr. Dharmendra Jani	Promoter	P	A	P	A	P	P
Mr. Virendra Jani	Promoter	P	P	P	P	P	P
Mr. Biren Shah	Independent	P	P	P	P	P	P

P-Present A-Leave of absence granted

No Directors are having Chairmanship of more five companies where they are director.

Details of other Directorships :

Name of Director	Other Directorship (No of Company)
Mr. Dharmendra Jani	-
Mr. Virendra Jani	-
Mr. Biren Shah	-

In line with the requirements of the code of the Corporate Governance, the board of directors comprises three members, The composition of the Board is in conformity with the listing agreement, having one Managing Director and remaining 2 Directors are Non-Executive Directors. The Board also has one independent Director inducted after the completion of Financial year.

AUDIT COMMITTEE

Presently the company has Four Directors, The Chairman of the company is executive Director, The Company has independent Internal team who submit the Audit report to the management on monthly basis and action is taken on the same by the Managing Director on regular basis.

Pursuant to the revised clause 49 of the agreement, the company is taking necessary steps to constitute the Independent Audit Committee. The scope, function and role of the Audit Committee would be in line with the requirements of the revised listing agreement.

REMUNERATION COMMITTEE

No remuneration is paid to any Director except the Managing Director.

SHAREHOLDERS COMMITTEE

The company has complied the requirements of the sub clause VI (A), (B) of the Clause of the Listing Agreement, Mr. Virendra Jani Director heads the Committee.

Mr. Biren Shah is the Compliance Officer.

During the year, the company and their Registrar and Share Transfer Agents M/s. Sharepro Services received about 25 complaints which were resolved immediately, These complaints were in nature of non receipt of electronic credit, change of address, non receipt of share certificate, Annual Report etc. All shareholders effect duly signed by a practicing company secretary has been furnished to the concerned stock exchanges where the shares are listed.

The Share received for Transfer are approved on 15th and 30th each month and are given effect by the Registrar and Share Transfer Agent.

GENERAL BODY MEETING :

The Annual General Meeting of the shareholders was held on 30 sept, 2002 at 9-30 a.m. 39, Swati Society, Opp. J. B. House, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009.

DISCLOSURES :

As per the disclousers given by the Directors of the Company there were no materially related party transactions attracting Section 297 of the Companies Act, 1956.

All the guidelines issued by the SEBI and Stock Exchange of other statutory on the matter related to capital markets are fully complied.

MEANS OF COMMUNICATION :

The means of communication between the Shareholders and Company are transparent and investor friendly, The quartely results of the Company are published in as required by the listing agreement. Steps are being taken to display the same on the corporate website, which is being developed.

GENERAL SHAREHOLDER INFORMATION :

Annual General Meeting : (Date, Time and Venue)	Date : 30th sept; 2003 Time : 9.30 a.m. Venue : 39, Swati Society, Opp. J. B. House, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009.
Financial Calendar :	1st April, 2002 to 31st March, 2003
Date of Book Closure :	From : 24th sept; 2003 to 30th sept; 2003 (Both days inclusive)
Divident Payment Date :	No dividend declared.

MANAGEMENT

The Company will comply with the requirements of the sub-clause V of clause 49 of the listing agreement.

LISTING ON STOCK EXCHANGE :

1. The Stock Exchange, Mumbai
2. Ahmedabad Stock Exchange

Stock Code : 521238

Market Price Data

Share price in The Stock Exchange, Mumbai :

MONTHS	HIGH (RS.)	LOW (RS.)
April, 2002
May, 2002
June, 2002
July, 2002
August, 2002
September, 2002
October, 2002
November, 2002
December, 2002
January, 2003
February, 2003
March, 2003

Performance in Comparison to broad based indices such as BSE Sensex, CRISIL Index etc.

Not applicable since shares are traded in B2 list of The Stock Exchange, Mumbai.

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Sharepro Service
Satam Estate, 3rd Floor,
Above Bank of Baroda,
C. G. Road Chakla,
Andheri (E), Mumbai.

SHARE TRANSFER SYSTEM

The share transfer work is handled by the Registrar and Share Transfer Agent of the Company i.e. M/s. Sharepro Services, Mumbai 400 080 who are also having connecting with the depositories viz., NSDL and CDSL.

Share Transfers are registered and dispatched within a period of thirty days from the date of the lodgement if the transfer documents are corrected and valid in all respects.

Shareholding Pattern as on 31st March, 2003.

	NO. OF SHARES	PERCENTAGE (%)
Promoters and Relatives	2028500	36.37 %
Banks/FII/FI	250000	44.48 %
Public	3297600	59.13 %

Dematerialization of Shares and Liquidity

Nearly 2346200 shares out of 5576100 Shares of the Company have been dematerialized as at 31st March, 2003 representing 42%. The Company has entered into agreement with National Securities Depository Ltd.(NSDL) and Central Depository Services Ltd.(CDSL) where shareholders have an option to dematerialized their shares with the depositories.

Outstanding GDRs/ADRs/Warrants or any Convertibles Instruments, Conversion date and likely impact on equity.

Not applicable :

Plant Location : **Not applicable :**

Address for Correspondence :

Registrar and Share Transfer Agent : M/s. Sharepro Service
Satam Estate, 3rd Floor,
Above Bank of Baroda,
C. G. Road Chakla,
Andheri (E), Mumbai.

Share Department : As Above

**FOR and on Behalf of the Board
Sequel e-Routers Ltd.**

Director

ANNEXURE 'D'

MANAGEMENT DISCOSSION AND ANALYSIS

1. Overall Review

The overall performance during the 2002-03 has been satisfactory.

2. Financial Review

Company is adopting new management information system to improve working of company.

3. Internal Control System and their adequacy

Considering the size of the company, your company has adequate internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or disposition.

4. Business Enviroment

The performance of the company for the year under review was satisfactory.

5. Risk and Concern

The building, plant and machinery, vehicals and stocks of the Company are adequately insured.

6. Cautionary Statement

Statement in this report on Management Discussion and Analysis may be forward looking statement within the meaning of applicable security laws or. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed of implied. Important factors t hat could mae a difference to the Company's operations include globel and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contract and other factors such as litigation and industrialrelations.

The Company assumes no responsibility in respect of forwad looking statements which may be amended or modified in future on the basis of subsequent developments, information or events.

Place : Ahmedabad.
Date : 31st July, 2003

FOR and on Behalf of the Board
Sequel e-Routers Ltd.

Director

AUDITOR'S REPORT

To,
The
Members of
SEQUEL e ROUTERS LIMITED
AHMEDABAD.

We have audited the attached Balance Sheet of **M/S. SEQUEL e ROUTERS LIMITED** AHMEDABAD, as at 31st March, 2003 and also the profit and loss account for the year ended on that date annexed thereto and report that :-

1. As required by the Manufacturing & Other Companies (Auditor's Report) order, 1958 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we enclose in annexure-A a statement on the matter specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief necessary for the purpose of our audit;
 - (b) in our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of books ;
 - (c) the Balance sheet and the Profit and loss Account referred to in this report are in agreement with the books of accounts ;
 - (d) in our opinion, the profit and loss account and balance sheet comply with the accounting standards referred to in sub-section (3c) of section 211 subject to Note No.2.2 of part A of Schedule 11.
 - (e) on the basis of written representations received from the directors of the company as at March 31, 2003 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956,
 - (f) in our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and profit and loss account together with the notes thereon, give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) in the case of Balance Sheet, of the state of the affairs of the company as on 31st March, 2003 and
 - (ii) in the case of Profit and loss Account, of the loss for the year ended on that date.

PLACE : AHMEDABAD

DATE : 16-06-2003

**For, S. P. THAKKER & ASSOCIATES
CHARTERED ACCOUNTANTS
(S.P. THAKKER)
PROPRIETOR**

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S REPORT

1. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the available records.
2. None of the Fixed Assets have been revalued during the year
3. The company has not taken loans, secured or unsecured from companies, firms of other parties listed in the Register maintained under section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management as defined under section 370 (1 B) of the Companies Act, 1956.
4. The company has granted loans, secured or unsecured from companies, firms of other parties listed in the Register maintained under section 301 of the Companies Act, 1956. We have been informed that the terms and conditions on which loans are granted are yet not finalised with the parties. However, taking into consideration, the long period during which terms and conditions on which loans are granted are not finalised, we are of the opinion that they are prima facie judicial to the interest of the company.
5. In respect of loans and advance in nature of loans given by the company we have informed that terms and conditions on which loans are granted are yet not finalised with the parties. Therefore We are Unable to comment on repayment.
6. The company has not accepted deposits in terms of the provisions of section 58A of the Companies Act, 1956.
7. No purchase of goods, materials or services made in pursuance of contract of arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year Rs. 5000/- or more in respect of each party.
8. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax were outstanding as on 31st March 2003 for a period of more than six months from the date becoming payable.
9. According to the information and explanations given to us, the company has not introduced the internal Audit System for the year under review.
10. We have been informed that the provision of Provident Fund Act and Employees State Insurance Act, do not apply to the company.
11. We are informed that the provision of section 209 (1) (d) relevant to the maintenance of cost records are not applicable to the company.
12. According to the information and explanations given to us, no personal expenses have been charged to revenue account.
13. 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, 1956.

PLACE : AHMEDABAD

DATE : 16-06-2003

For, S. P. THAKKER & ASSOCIATES
CHARTERED ACCOUNTANTS
(S.P. THAKKER)
PROPRIETOR

**S-P. THAKKER & ASSOCIATES
CHARTERED ACCOUNTANTS**

**2ND FLOOR, ASHA COMPLEX,
NAVRANGPURA, AHMEDABAD.**

**SEQUEL e ROUTERS LIMITED
BALANCE SHEET AS AT 31-03-03**

	Schedule No.	31-03-03 RUPEES	31-03-03 RUPEES
I SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS			
(a) Capital	1	53534980	53534980
(b) Reserve & Sueplus		-----	-----
2. LOAN FUNDS			
(a) Secured Loans		-----	-----
(b) Unsecured Loans		135000	-----
TOTAL		53669980	53534980
		=====	=====
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
(a) Gross Block	2	145841	145841
(b) Less : Depreciation		23166	23166
(c) Net Block		122675	122675
2. INVESTMENTS	3	500000	500000
3. CURRENT ASSETS, LOANS & ADVANCES			
(a) Sundry Debtors	4	2699480	2739480
(b) Cash & Bank Balances	5	20518	16106
(c) Loans And Advances	6	26029320	26139320
Less :		28749318	28894906
4. CURRENT LIABILITIES AND PROVISIONS			
(a) Liabilities	7	-3930303	-3930303
NET CURRENT ASSETS		24819015	24964603
5. MISCELLENOUS EXPENDITURE (To The extent not written off)	8	20962	41924
6. ISSUE EXPENSES		4015930	4015930
7. PROFIT AND LOSS ACCOUNT		24191398	23889848
TOTAL		53669980	53534980
		=====	=====
NOTES FORMING PART OF ACCOUNTS	11	FOR AND ON BEHALF OF THE BOARD	

As per our attached audit
report of even date

For, S. P. THAKKER & ASSOCIATIES
CHARTERED ACCOUNTANTS
(S.P.THAKKER)
PROPRIETOR

1. Director - Dharmendra Jani

2. Director - Biren Shah

**S-P. THAKKER & ASSOCIATES
CHARTERED ACCOUNTANTS**

**2ND FLOOR, ASHA COMPLEX,
NAVRANGPURA, AHMEDABAD.**

**SEQUEL e ROUTERS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING ON 31-03-03**

	Schedule No.	31-03-03 RUPEES	31-03-03 RUPEES
INCOME			
Sales & Other Income		----	----
EXPENDITURE			
(Payment & Provision to Employees		----- -----	----- -----
Administrative Expenses	9	280000	297927
Interest and Finance Charge	10	588	265
Preliminary Exps.		20962	20962
		----	319154
PROFIT (LOSS) BEFORE DEPRECIATION AND WRITE OFFS		----- (301550)	----- (319154)
Less : Depreciation		----	----
Less : Provision for Taxation		----	----
NET PROFIT / (LOSS) FOR THE YEAR		(301550)	(319154)
Add : Balance brought forward from Previous year		(23889848)	(23570694)
BALANCE CARRIED TO BALANCE SHEET		(24191398)	(23889848)

As per our attached audit
report of even date

For, S. P. THAKKER & ASSOCIATES
CHARTERED ACCOUNTANTS
(S.P. THAKKER)
PROPRIETOR

AHMEDABAD, 16-06-2003

FOR AND ON BEHALF OF THE BOARD

1. Director - Dharmendra Jani
2. Director - Biren Shah

SCHEDULES FORMING PART OF THE ACCOUNTS**SCHEDULES TO BALANCE SHEET AS AT 31-03-03**

	31-03-03 RUPEES	31-03-03 RUPEES
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
6000000 Equity Shares of Rs.10/- each	<u>6000000</u>	<u>6000000</u>
ISSUED, SUBSCRIBED AND PAID UP		
5596000 Equity Shares of Rs.10/- each	<u>5596000</u>	<u>5596000</u>
	<u>5596000</u>	<u>5596000</u>
PAID UP		
5353200 Equity Shares of Rs.10/- each	53532000	53532000
Share Application Money	2980	2980
	<u>53534980</u>	<u>53534980</u>
SCHEDULE 3		
INVESTMENTS		
(At Cost Unquoted Share of Redex Leasing & Finance Pvt. Ltd. of Rs. 10/- each Fully paid up	<u>500000</u>	<u>500000</u>
	<u>500000</u>	<u>500000</u>
SCHEDULE 4		
SUNDRY DEBTORS		
(Unsecured, Considered Good) more than six months Others	2699480	2739480
	<u>2699480</u>	<u>2739480</u>
SCHEDULE 5		
CASH & BANK BALANCE		
Cash on Hand (As certified)	10166	1745
Balance with Scheduled Bank	10352	14361
	<u>20518</u>	<u>164106</u>

SCHEDULES FORMING PART OF THE ACCOUNTS**SCHEDULES TO BALANCE SHEET AS AT 31-03-03**

	31-03-03 RUPEES	31-03-03 RUPEES
SCHEDULE 6		
LOANS AND ADVANCES		
Advance recoverable in cash or in kind for value to be received	8735034	8735034
Due from the companies, firm & other parties in which directors of the company are interested	10143631	10143631
Due from the director of the company	7021274	7131274
Loans to other	129381	129381
	<u>26029320</u>	<u>26139320</u>
SCHEDULE 7		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Creditors for Goods & others	3930304	3930304
	<u>3930304</u>	<u>3930304</u>
SCHEDULE 8		
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary & Pre-operative expenses	41924	62886
Less : Written off during the year	<u>-20962</u>	<u>-20962</u>
	<u>20962</u>	<u>41924</u>

SCHEDULES FORMING PART OF THE ACCOUNTS**SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31-03-03**

	31-03-03 RUPEES	31-03-03 RUPEES
SCHEDULE 9		
ADMINISTRATIVE EXPENSES		
Stationery & Ptg.	820	39637
Office Electricity Utility	34810	9952
Audit Fee	10500	10500
Directors Remuneartion	150000	-----
Telephone & Postage	9810	53594
Misc. Exps.	30060	120091
Consultancy Fees	8000	13000
Salary Exps.	36000	51153
	<u>280000</u>	<u>297927</u>

SCHEDULE 10**INTEREST AND FINANCE CHARGES**

Bank Charges	588	265
	<u>588</u>	<u>265</u>

SEQUIES e ROUTERS LIMITED

31-03-2003

SCHEDULE - 2

FIXED ASSETS

PARTICULARS	PARTICULARS			PARTICULARS			NET BLOCK
	COST	ADDITION	TOTAL	AS ON 1-4-02	CURRENT YEAR	TOTAL	
Furniture & Fixture	29629	--	29626	1660	0000	1660	29629
Air Conditioner	35469	--	35469	1531	0000	1531	35469
Computer Systems	43871	--	43871	7489	0000	7489	43871
Scooter	13706	--	13706	12486	0000	12486	13706
TOTAL	122675	--	122675	23166	0000	23166	122675

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S REPORT**A. STATEMENT ON SIGNIFICATION ACCOUNTING POLICIES**

1. Method of Accounting
 - 1.1 The company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.
 - 1.2 Financial Statements are based on historic cost. The costs are not adjusted to reflect impact of the changing value in the purchasing power of money.
2. Fixed Assets and Depreciation
 - 2.1 Fixed assets are stated at the cost of acquisition or construction, including expenses less accumulated depreciation 31-01-2001
 - 2.2 The company has provided depreiacton for the year under audit as per the requirement of As-6 Account ing for Depreciatiton
3. Investments : Investment are started at cost
4. Investors : There is no closing stocck as on 31-03-2003
5. Retirement Benefits : N/A
6. Miscellaneous Expenditure : Miscellaneous Expenditure relates to the company formation expenses. one tenth of the Miscellaneous Expenditure are being written off qually over a period of ten year
7. Foreign Currency Transactions : Nil

B. OTHER NOTES

1. The Figures of prefiuous year have been regrouped / rearranged whereer necessary.
2. Confirmation etters of debit and credit balance are not received by the company. Balance due to or due by various parties [Including bankers of the company] are therefore. Subject to adjusment on receipts of confirmations.
3. As per the information and explanations given to us and so far we have been able to asertain, the company could not implement its expansion programme of projects as per schedule and has not invested the funds in teh assets required for the same for which the funds has been raised.
4. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the stated if realised in the ordinary course of business.
5. Contingent liability : NIL
6. None of the employees is in receipt of remuneration aggregating to Rs. 12,00,000/- p.a. or more.
7. Remuneration to Directors : Rs. 150000/-
8. Auditor's Remuneration includes :

	2002-03	2001-02
Audit Fee	10500	10500
9. As per the information an explanations given by the management that the sundry creditors shown under the head current liabilities & provisions, it is not practically possible to seggregate the total outstanding dues of small scale industrial undertakings as at 31-03-2003.
10. During the course of our verification of books of accounts, we have found that some of the vouchers were incomplete.
11. The income-tax Department has issued a demand notice for tax of Rs. 633364/- for A.Y. 1996-97. The company has preffered an appeal to the higher authority of Income-tax against the said demand. As explained to us, the appeal is still pending. However, the Income-tax Department has collected Rs. 58,975 /- directly from the Banker's of the company. Hence, the amount is shown as advance tax under the head Loans 7 Advances.

12. Information pursuant to the provisions of Paragraph 3, 4C and 4D of Part II of schedule to the Companies Act, 1956 is not given since that same are not applicable to the company.

C. BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	17815
State Code	04
Balance Sheet Date	31-03-03

**II CAPITAL RAISED DURING THE YEAR ENDED ON 31ST MARCH 2003
(AMOUNT IN THOUSAND)**

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS AS AT 31ST MARCH 2003 (AMOUNT IN THOUSAND)

TOTAL LIABILITIES	53670
TOTAL ASSETS	53670
SOURCES OF FUNDS	
Paid up Capital	53535
Unsecured Loans	135
APPLICATION OF FUNDS	
Net Fixed Assets	123
Net Current Assets	24819
Investments	500
Miscellaneous Expenditure	4037
Accumulated Losses	24191

**IV PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED ON 31ST MARCH 2003
(AMOUNT IN THOUSAND)**

Turnover	-----
Total Expenditure	(280)
Profit Before Tax	(280)
Profit after Tax	(280)
Dividend	NIL

V GENERIC NAME OF THE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

As per our attached audit
report of even date

For, S. P. THAKKER & ASSOCIATES
CHARTERED ACCOUNTANTS
(S.P. THAKKER)
PROPRIETOR

AHMEDABAD, 16-06-2003

FOR AND ON BEHALF OF THE BOARD

1. Director - Dharmendra Jani
2. Director - Biren Shah