



ARTEFACT SOFTWARE & FINANCE LIMITED
13th Annual Report 2000-2001



ARTEFACT SOFTWARE & FINANCE LIMITED

DIRECTORS

Mr. Manoj B. Shah, Managing Director
Mr. Pankaj B. Shah
Maj Gen B. K. Mehta (Retd.)

AUDITORS

Zafar S. Daud
Chartered Accountant
3rd Floor, Smruti Cinema Building,
Sadar, Nagpur - 440 001.

BANKERS

Central Bank of India, Main Branch,
Nagpur - 440 001.

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REGISTERED OFFICE

429, Joshi Wadi, Opp. Kurvey's High School,
Dr. Munje Road, Sitabuldi, Nagpur- 440 012.

CORPORATE OFFICE

1st Floor, Bhiwapurkar Chambers, Opp. Yeshwant Stadium,
Dhantoli, Nagpur - 440 012.



DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the 13th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2001 on the business and operations of the Company.

(1) FINANCIAL RESULTS :-

Particulars	(Rs. in Lacs)	
	2000-2001	1999-2000
Gross Income	259.86	237.53
Profit before Non Cash Charges	118.66	135.11
Non Cash Charges	95.42	114.65
Profit before Taxation	23.24	20.46
Provision for Taxation	5.20	2.35
Net Profit	18.04	18.11
Earlier year Adjustment	(3.46)	0.00
Profit brought forward from previous year	177.44	159.33
Profit available for Disposal	192.03	177.44
Profit carried to Balance Sheet	192.03	177.44

(2) DIVIDEND :-

Your Directors do not recommend dividend for the year ending 31st March, 2001.

(3) OVERVIEW :-

There was a increase in Company's gross income, which was Rs. 259.86 Lacs as compared to Rs.237.53 Lacs in the previous year. It's gross Lease & HP Assets stood at Rs. 689.75 Lacs as compared to Rs. 846.07 Lacs in the previous year. It's profit before non-cash charges stood at Rs. 118.66 Lacs as compared to Rs.135.11 Lacs in the previous year. The Company however, was able to maintain it's profit after tax which stood at Rs. 18.04 Lacs as compared to Rs.18.11 Lacs in the previous year.

(4) FIXED DEPOSIT :-

The Company has retired all fixed deposits during the year and has obtained certificate from RBI to that effect..

(5) PLANS FOR CURRENT YEAR :-

As was stated in the previous year's report, the Comapny has progressed considerably in it's division of Infra-structure and Turnkey Project Management Consultancy. The Company has substantial orders in hand. The Company feels that the efforts shall start yielding results from the current year.

(6) AUDITOR & AUDITORS REPORT :-

Shri Zafar S. Daud , auditor of the Company, holds office until the conclusion of the ensuing Annual General Meeting and is recommended for reappointment . The Company has received letter from him, to the effect that



his appointment, if made would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

(7) DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm :-

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures ;
- ii) that they had selected such accounting policies and applied them consistently and made judgements and estimates that are 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 that period.
- iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv) that they had prepared the annual accounts on a going concern basis.

(8) STATUTORY INFORMATION :-

(i) Personnel :-

The company has not paid to any employee remuneration exceeding Rs.12.00 Lacs per annum, if employed throughout the year, or Rs.1.00 Lac per month, if employed for any part of the year. Hence Statement U/s 217 (2A) of the Companies Act, 1956 is not applicable.

(ii) Particulars required to be furnished by the Companies (Disclosure of Particulars of the Report of Board of Directors) Rules, 1988 :

- (i) Part A & B pertaining to conservation of Energy and Technology Absorption are not applicable to the company.
- (ii) Foreign Exchange Earnings and Outgoing : The Company has not earned any foreign exchange during the year. The Company has not spent any Foreign Exchange.

(iii) DEPOSITS:-

The Company has accepted deposits in earlier years within the meaning of Section 58A of Companies Act, 1956 and/or rules framed thereunder and has repaid all deposits during the year. There are no deposits which have remained unclaimed or claimed but not paid for which information is required to be given in this report.

(9) INFORMATION PURSUANT TO PART III OF NOTIFICATION NO. DFC. 118/DGM (PROJECT) (SPT)-98, DATED 31/01/98 OF RESERVE BANK OF INDIA REGULATIONS :-

- (a) (i) Total number of Public Deposit which have not been claimed by depositors NIL
- (ii) Total number of accounts of Public Deposit which have not been paid by the NIL Company after the date on which deposit become due for repayment and lodged with Company for maturity.



- (b) (I) Total amounts for the above mentioned accounts as per a (I) NIL
- (II) Total amounts for the above mentioned accounts as per a (II) NIL

(10) ACKNOWLEDGEMENT :-

The Board appreciates the excellent co-operation and support extended by the Directors, Shareholders, Depositors, Customers, Employees and it's Bankers.

FOR AND ON BEHALF OF THE BOARD

Place: Nagpur

Date : 28th July, 2001

MANOJ B. SHAH

MANAGING DIRECTOR

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AUDITOR'S REPORT

TO

The Members of,
ARTEFACT SOFTWARE & FINANCE LTD.,

I have audited the attached Balance Sheet of ARTEFACT SOFTWARE & FINANCE LIMITED as at 31st March, 2001 & the Profit & Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors Report) Order 1988, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, I give in Annexure a Statement on the matters specified in paragraph 4 & 5 of the said order, to the extent applicable to the Company.
2. In my opinion the Profit and Loss account and Balance Sheet comply with the Accounting standards referred to in sub-section 3 (c) of section 211 of the companies Act 1956.
3. Further to my comments in the Annexure referred to in paragraph 1 above, I report that :
 - a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - b) In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of those books.
 - c) The Balance Sheet & the Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d) In my opinion, and based on information and explanations given to me, none of the Directors are disqualified as on 31st March 2001 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
 - e) In my opinion and to the best of my information and according to the explanations given to me the said Balance Sheet & the Profit & 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 affairs of the Company as at 31st March, 2001 and,
 - ii) in the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date.

Place : Nagpur
Date : 29th May, 2001

ZAFAR S. DAUD
Chartered Accountant

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S REPORT OF EVEN DATE :**

1. The Company has maintained proper records showing full particulars including quantitative details and location of fixed assets. The major fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification, as compared to the available records. In my opinion the frequency of such verification is reasonable having regard to the size of the company and nature of its fixed assets.
2. None of the fixed assets have been revalued during the year.
3. As explained to me, the Company is not having any stocks during the year.
4. In my opinion and according to the information and explanations given to me, the procedure for physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
5. The company has not taken any loan from the Companies, Firms or other parties as listed in the register maintained under Section 301, of the Companies Act, 1956.
6. The company has granted loan to the companies, firms or other parties as listed in the register maintained under Section 301 of the Companies Act, 1956 and parties to whom such loans are given are regular in payment of principal and interest wherever stipulated.
7. In respect of other loans and advances in the nature of loan given by the company, the parties to whom such loans are given are making the payment of principal amount as per the stipulations and are also regular in payment of interest wherever stipulated.
8. In my opinion and according to the information and explanations given to me, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business for purchase of goods.
9. According to the information and the explanations given to me, there are no transactions of purchases of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements required to be 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 party.
10. In my opinion the company has an internal audit system commensurate with its size and nature of its business.
11. In my opinion, and according to the information and explanations given to me, the Company has accepted deposits from public in earlier years and repaid during the period under audit. The Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A