

6th Annual Report 1999-2000

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Robert B. Peck
Director



ANNUAL REPORT

FICON LEASE AND FINANCE LIMITED

108, SARTHAK COMPLEX, B/H. WEEKENDER, SWASTIK CHAR RASTA,
C.G. ROAD, NAVRANGPURA, AHMEDABAD- 380 009

BOARD OF DIRECTORS

BHANUPRASAD L. PATEL

Chairman/Managing Director

RIKEN B. PATEL

BHARATI B. PATEL

BANKERS

DENA BANK

AUDITORS

M/S. P. DOSHI & ASSOCIATES

Chartered Accountants

306, Rajkamal Plaza,
Opp. High Court,
Ahmedabad - 380 014.

AUDITORS

108, Sarthak Complex,
B/h. Weekender,
Swastik Char Rasta,
C.G. Road, Navrangpura,
Ahmedabad - 380 009.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **SIXTH ANNUAL GENERAL MEETING** of the Members of **FICON LEASE & FINANCE LIMITED** will be held on Saturday, the 30th day of September, 2000 at 11.00 a. m. at 108, Sarthak Complex, B/h. Weekender, Swastik Char Rasta, C. G. Road, Ahmedabad - 380 009 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2000, Balance Sheet as on that date, Directors' Report and the Auditors' Report thereon,
2. To appoint Director in place of Mr. Riken B. Patel who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To pass with or without modification the following resolution as an Ordinary Resolution :
"RESOLVED THAT Mrs. Bharati B. Patel, be and is hereby appointed as the Director and Joint Managing Director pursuant to provisions of Section 257 of the Companies Act, 1956."

FOR AND ON BEHALF OF THE COMPANY

Place : Ahmedabad

DATE : 30.08.2000

CHAIRMAN

NOTES :

- a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member. The instrument appointing a proxy must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the Meeting.
- b) The Register of Members and the Share Transfer Books of the Company will remain closed from 16.10.2000 to 26.10.2000 (both days inclusive).
- c) The Members are requested to notify any change in their address to the Company quoting their folio number at earliest to avoid inconvenience at a later stage.
- d) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting, therefore, Members are requested to bring their copies of Annual Report to the Meeting.
- e) Shareholders seeking any information with regards to accounts are requested to write to the Company latest by 20th September, 2000 so as to enable the management to keep the information ready.

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

Item No. : 4

Mrs. Bharati B. Patel was appointed as an Additional Director and Joint Managing Director pursuant to the provisions of Article 144 under Section 260 of the Companies Act, 1956 in the Board Meeting held on 30/10/99. A Notice proposing her appointment as the Director under section 257 is received from a Member.

Mr. Bhanuprasad L. Patel and Mr. Riken B. Patel, the Directors of the company are deemed to be interested in this resolution being relative of Mrs. Bharati B. Patel.

FOR AND ON BEHALF OF THE COMPANY

Place : Ahmedabad

DATE : 30.08.2000

CHAIRMAN

DIRECTOR'S REPORT

To :

THE MEMBERS :

The Board of Directors have pleasure in presenting the Sixth Annual Report together with Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS : The Financial results for the year are as under :

	(Rs. in Lacs)	
	1999-2000	1998-1999
Sales & Other Income	252.55	2166.71
Profit/(Loss) before Non Cash Exp.	16.00	(58.08)
Depreciation	2.96	2.90
Other Non cash Expenses	87.82	7.21
Provision for Taxation	—	—
Profit/(Loss) after Taxation	(74.78)	(68.19)
Profit/(Loss) for Appropriation	(74.78)	(68.19)
Appropriation :		
General Reserve	—	—
Proposed Dividend	—	—
Balance Carried Forward	(74.78)	(68.19)

DIVIDEND :

In view of loss, your Directors do not recommend any dividend.

OPERATIONS :

During the year under review, the company had mainly carried out trading activities of shares & securities and made a modest profit of Rs. 16 lacs before providing depreciation and other non cash expenses as against cash loss of Rs. 58.08 lacs during previous year.

However, due to provision of non performing assets and diminution in the value of investments aggregating to Rs. 86.11 lacs, there is a net loss of Rs. 74.78 lacs against loss of Rs. 68.19 lacs during previous year. In the current year, the conditions of the share market remained uncertain and highly volatile till date. Therefore, the performance of the company in the current year depends on stability and improvement of the conditions of the share market.

DEPOSITS :

The Company has not accepted any deposit from public during the year under review.

DIRECTORS :

Mr. Satyendra K. Jha resigned as a Director during the year. The board appreciate the services rendered by him during his tenure as a director of the company. Mrs. Bharati B. Patel was appointed as an Additional Director and Joint Managing Director of the company during the year and the company has received a Notice under section 257 proposing her candidature as a Director. The board recommends her appointment.

Shri Riken B. Patel, retires by rotation and being eligible for reappointment offers himself for reappointment.

CONSERVATION OF ENERGY ETC. :

The Company has no activities having conservation of energy or technology absorption. The Company has no foreign exchange earnings and outgo during the period.

PARTICULARS OF EMPLOYEES :

There are no employees of the Company who are in receipt of a remuneration in excess of the limit as prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS :

M/s. P. Doshi & Associates, Chartered Accountants, Ahmedabad retires at the conclusion of the ensuing Annual General Meeting of the Company and being eligible offers themselves for reappointment.

AUDITORS REPORT :

The comments in Auditor's report read with notes to the accounts in schedule - 16 are self explanatory.

LISTING OF THE COMPANY'S EQUITY SHARES

The Equity Shares of your Company continue to be listed during the year under review at the Ahmedabad and Mumbai Stock Exchanges. The Company has paid the annual listing fees for the financial year 2000 - 2001 to these Stock Exchanges.

APPRECIATION :

Your Directors wish to thank and acknowledge with gratitude the valuable & whole hearted Co-operation and assistance extended by the Customers, all the Employees, Bankers and Shareholders of the Company.

Place : Ahmedabad

DATE : 30.08.2000

**FOR AND ON BEHALF OF THE COMPANY
CHAIRMAN**

AUDITOR'S REPORT

To,
The Members,
FICON LEASE AND FINANCE LIMITED
Ahmedabad.

We have audited the attached Balance Sheet of FICON LEASE AND FINANCE LIMITED as at 31st March, 2000 and also the Profit & Loss Account of the company for the year ended on that date annexed thereto and report that :-

1. As required by the manufacturing and other Companies (Auditor's 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 of the books and records as we considered appropriate and to the best of our knowledge and according to the information and explanation given to us during the course of the audit, we annex hereto a statement on the matters specified in Paragraphs 4 and 5 of the said order.
2. Further to our comments referred to in Paragraph 1 above :
 - a) 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.
 - 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 the books.
 - c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give true and fair view.
 - i) in so far as it relates to the Balance Sheet of the state of affairs of the company as at 31st March, 2000 and
 - ii) in so far as it relates to the Profit and Loss Account of the loss for the year ended on that date.

For **P. Doshi & Associates,**
Chartered Accountants,

DATE : 30.08.2000
Place : Ahmedabad

(**Parthiv C. Doshi**)
Proprietor

FICON LEASE AND FINANCE LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

(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 situation of its fixed assets including leased assets. As informed to us, the fixed assets of the company including leased assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification as compared with the available records.
2. None of the fixed assets have been revalued during the year.
3. As explained to us, the stock in trade of Equity Shares and traded goods has been physically verified by the management at reasonable intervals during the year.
4. In our opinion and according to information and explanations given to us the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. As informed to us, no discrepancies were noticed on such physical verification as compared to book records.
6. As our opinion and on the basis of our examination, the valuation of stock in trade is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in earlier year.
7. The Company has not taken loans from Companies, firm or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. In terms of sub section (6) of section 370 of the Companies Act, 1956, provisions of the section are not applicable.
8. The Company has not granted any loans to Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. In terms of sub section (6) of section 370 of the Companies Act, 1956, provisions of the section are not applicable.
9. Parties including staff to whom loans or advances in the nature of loans have been given by the Company are generally repaying the principal amounts, wherever stipulated, and are also regular in payment of interest, where applicable. In respect of amounts overdue, where repayment has not been stipulated in the ordinary course of business, we are given to understand that reasonable steps have been taken by the Company for recovery of the same.
10. In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of assets.
11. According to the information and explanations given to us, there were no transactions of purchase and sale of shares and services 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. 50000/- or more in respect of each party.
12. As the Company is dealing in Shares the question of determination of unserviceable or damaged stores, raw materials and finished goods does not arise.
13. The Company has not accepted deposits from the public to which the provisions of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975 apply.
14. We have been informed that the Company does not have any activity which generates any scrap or by-products and hence the question of maintenance of records for sale and disposal of realisable by products and scrap does not arise.
15. The company did not have any formal internal audit system during the year under review. However, the Company has explained that its internal control procedures involve reasonable internal checking of its financial records.
16. As informed to us, the Central government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 by the Company.
17. According to the information and explanations given to us, the provisions of the Employee's Provident and Miscellaneous Provisions Act, 1952, and the Employee's state Insurance Act, 1948, are not applicable to the Company.
18. According to the records of the Company there are no undisputed amounts payable in respect of income-tax, wealth-tax, Sales-tax, custom duty and excise duty which were outstanding as at the year end, for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses, other than those payable under contractual obligations or in accordance with generally accepted business practices, were charged to the revenue account.
20. As the Company is a Finance Company, Clause-4(A)(XX) of the Order is not applicable to the Company.
21. In respect of service activities of the Company, there exists reasonable internal control system commensurate with the size of the Company and nature of its business.
22. We have been informed that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
23. According to the management, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit Society do not apply to the Company.
24. In our opinion and according to the information and explanations given to us, the company has maintained proper records of transactions and contracts of dealing in shares, securities and other investments and timely entries have been made therein. The same have been held by the company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956 or where these are in the process of transfer to its name.

For **P. Doshi & Associates,**
Chartered Accountants,

(**Parthiv C. Doshi**)
Proprietor

Date : 30-08-2000
Place : Ahmedabad