

PRERNA FINSAFE LTD.



XI TH ANNUAL REPORT 1998-99

PRERNA FINSAFE LTD.

11th Annual Report 1998-99

NOTICE

NOTICE is hereby given that the ELEVENTH ANNUAL GENERAL MEETING OF PRERNA FINSAFE LTD. Will be held on Thursday, the 30th September 1999 at 09:30 a.m. at the Registered Office of the Company at 6th floor, Doctor House, Nr. Parimal Crossing, Ahmedabad to transact the following business:

ORDINARY BUSINESS:

- 1) To consider and adopt the audited profit & loss account for the year ended, March 31, 1999, the Balance Sheet as at that date and the reports of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Shri Nalini V. Shah who retires by rotation and being eligible, offers herself for reappointment.
- 3) To appoint Auditors and fix their remuneration.

For and on behalf of the Board

Place : Ahmedabad
Date : 27th August 1999.

VIJAY SHAH
Chairman

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT IST REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.

The Registered of Members and Share Transfer Books of the Company will remain closed from 20th September to 30th September 1999 (both days inclusive).

Members are requested to notify promptly any change in their address to the Company's Share Department at Doctor House, 6th floor, Nr. Parimal Crossing, Ahmedabad.

PRERNA FINSAFE LTD.**11th Annual Report 1998-99****DIRECTOS REPORT**

To the Members of PRERNA FINSAFE LTD.

Your Directors present their Eleventh Annual Report of the Company for the year ended 31st March 1999. The results for the year are as under:

	1998-99 (Rs. in lacs)	1997-98 (Rs. in lacs)
Income other than trading in shares	39.59	45.64
Expenditure	18.84	27.98
	20.75	17.66
Trading in Shares	(295.10)	(89.98)
Operating Profit (Loss)	(274.35)	(72.32)
Depreciation	7.33	8.67
Loss for the year	(281.68)	(80.99)
Add: Profit (Loss) brought forward from previous year	(141.31)	(60.32)
Balance loss C/f to next year	422.99	141.31

Your Directors are unable to recommend any dividend on account of loss incurred during the year.

OPERATIONS:

The trading activities resulted in a loss of Rs. 295.10 lacs.

SUBSIDIARY

The audited statement of account for the year ended March 31, 1999 of Prerna Stock Brokers Ltd. together with the report of the Director and Auditors as required under Section 212 of the Companies Act 1956 are attached.

DIRECTORS:

Smt. Nalini V. Shah retires by rotation and being eligible offers herself for reappointment.

AUDITORS:

Members are requested to appoint M/s. Kapil Acharya & Associates, Chartered Accountants, Ahmedabad Auditors to hold office until the conclusion of the next Annual General Meeting and fix their remuneration.

PRERNA FINSAFE LTD.

11th Annual Report 1998-99

CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNINGS AND EXPENSES

The Company has no activities relating to conservation of energy and technology absorption. The Company has had no foreign exchange earnings. The information pursuant to Section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended is nil.

Your directors record their appreciation of the services of employees.

On behalf of the Board of Directors

Place : Ahmedabad
Date : 27th August 1999

VIJAY SHAH
CHAIRMAN



AUDITOR'S REPORT

To,
The Members of PRERNA FINSAFE LTD.
Ahmedabad

We have audited the attached Balance Sheet of PRERNA FINSAFE LTD. as at 31st March, 1999 and the Profit & Loss account for the year ended on that date annexed there to and report that :

1. 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.
2. In our opinion proper books of accounts as required by Law have been kept by the Company so far as it appears from our examination of such books.
3. The Balance Sheet and Profit & Loss account dealt with by the report are in agreement with books of account of the Company.
4. In our opinion, the Profit & Loss Account and the Balancesheet comply with the Mandatory Accounting standards referred to in sub section 3(C) of Section 211 of the Companies Act, 1956
5. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet & Profit and Loss Account, read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and present a 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, 1999 :
 - II. In so far as it relates to the Profit and Loss Account, of the loss of the Company for the year ended on that date :
6. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the company Law Board in terms of section 227(4-A) of the Companies Act, 1956, and on the basis of such checks as we considered necessary, we further report that :
 - I. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. These fixed assets have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.
 - II. None of the fixed assets have been revalued during the year.
 - III. As informed to us, the stocks of shares and securities have been physically verified by the management at reasonable intervals.
 - IV. In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

No discrepancies have been noticed on verification between the physical stocks and the book records of shares and securities.

- V. In our opinion and on the basis of our examination of stock records, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- VI. In our opinion and according to the information and explanation given to us, the Company has taken loans, from parties listed in the register maintained under section 301 of the Companies Act, 1956 the company has not taken loans from the Companies under the same management as defined under subsection (1B) of Section 370 of the Companies Act, 1956 . The rate of interest and terms and conditions on which such loans are taken are not prima facial prejudicial to the interest of the Company.
- VII. In our opinion and according to the information and explanations given to us, the Company has granted loans to the parties listed in the register maintained u/s 301 of the Companies Act, 1956 the company has not granted loans to the companies under the same management as defined u/s. 370 (1B) of the Companies Act, 1956. The rate of interest and terms and conditions on which such loans have been granted are not prima facial prejudicial to the interest of the Company.
- VIII. The Company has granted interest free loans to its employees and they are being repaid as stipulated.
- IX. In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of assets, equipments and shares and securities ; and for sale of shares and securities.
- X. In our opinion and according to the information and explanation given to us, the Company has made transaction of services with parties listed in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more on respect of each party.
- XI. As this is a Company providing safe lockers services and involved in the business of financial and investment activities, provisions relevant to determination of any unserviceable or damaged goods are not applicable.
- XII. The Company has not accepted nor invited any deposits from the public in pursuance to provisions under Sec. 58A of Companies Act, 1956.
- XIII. As this is a company providing safe lockers services and involved in the business of financial and investment activities, provisions for maintaining record of sale / disposal of scraps and by products are not applicable.
- XIV. In our opinion the internal audit system of the Company is commensurate with its size and the nature of its business.
- XV. The maintenance of cost record have not been prescribed for the company by Central Government under section 209(1)(d) of the companies Act, 1956.
- XVI. According to the information and explanations given to us, the provisions of the Provident Fund Act, and Employees' State Insurance Act are not Applicable to the company.

XVII. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as at 31st March, 1999 for a period of more than six months from the date they became payable.

XVIII. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practice.

XIX. The Company is not a sick industrial company within the meaning of clause (O) of subsection (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

XX. The other matters to be included in case of service company are not applicable to this company.

XXI. In respect of Share Trading activities of the Company in our opinion and according to the information and explanations given to us, we have to state as under :

- a) The Company has maintained proper record of the transactions and contracts entered into during the year at the appropriate time.
- b) The Company's' business also consists of buying and selling of shares and securities to which provisions of Sec. 49(1) of Companies Act, 1956 are not applicable; save and except this where the shares/securities, are held as investments the Company has complied with the provisions of Sec. 49 of the Companies Act, 1956.

Report Junction.com

PROPRIETOR
KAPIL ACHARYA & ASSOCIATES
CHARTERED ACCOUNTANTS

Place : Ahmedabad.

Date : 27.08.1999

PRERNA FINSAFE LTD.

11th Annual Report 1998-99

BALANCE SHEET AS AT 31ST MARCH, 1999

PARTICULARS	SCHEDULE	(As at 31.03.99)	(As at 31.03.98)
SOURCES OF FUNDS :			
A. SHAREHOLDERS FUNDS :			
i) Share Capital	1	60,726,000	60,726,000
B. LOAN FUNDS :			
i) Unsecured Loans	3	7,030,646	20,083,557
		67,756,646	80,809,557
APPLICATION OF FUNDS			
A. FIXED ASSETS (NET BLOCK)	4	5,096,576	5,779,574
B. INVESTMENTS	5	6,132,000	6,132,000
C. ADVANCE FOR PURCHASE OF FIXED ASSETS		4,531,000	4,550,000
D. CURRENT ASSETS, LOANS & ADVANCES :			
i) Inventories	6	8,328,794	20,287,940
ii) Sundry Debtors	7	270,981	2,239,457
iii) Cash & Bank Balance	8	1,849	1,349
iv) Loans & Advances	9	13,049,136	33,833,371
		21,650,760	56,362,117
LESS : CURRENT LIABILITIES & PROVISIONS :			
Liabilities	10	13,038,197	7,411,374
NET CURRENT ASSETS ..		8,612,563	48,950,743
E. i) Miscellaneous expenses to the extent not w/off or adjusted	11	1,085,744	1,266,701
ii) Profit & Loss Account	2	42,298,762	14,130,539
		67,756,646	80,809,557
Significant Accounting Policies & Notes forming part of accounts	15		

AS PER OUR REPORT OF EVEN DATE

ON BEHALF OF BOARD OF DIRECTORS

PROPRIETOR
M/S. KAPIL ACHARYA & ASSOCIATES
 CHARTERED ACCOUNTANTS

DIRECTORS
MRS. NALINI V. SHAH

MR. DINESH P. SHAH

MANAGING DIRECTOR
MR. VIJAY C. SHAH

 WHOLE TIME DIRECTOR
SWETAL V. SHAH

PLACE : AHMEDABAD
 DATE : 27.08.1999

PRERNA FINSAFE LTD.

11th Annual Report 1998-99

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.1999

PARTICULARS	SCHEDULE	(As at 31.03.99)	(As at 31.03.98)
INCOME :			
Rent of Lockers (T.D.S. Rs. Nil Previous year Rs. 5,106/-)		503,100	464,700
Admission Fees		10,900	
Interest	12	3,104,928	2,444,750
Dividend (T.D.S. Rs. Nil Previous year Rs. 4,868/-)		335,417	1,308,600
Sales of Shares		247,143,560	378,527,679
Other Income		4,300	345,976
		<u>251,102,205</u>	<u>383,091,705</u>
EXPENDITURE :			
Decrease in Stock	13	11,959,146	23,460,562
Purchase of Shares		246,014,735	364,065,193
Salaries & Staff Welfare		1,008,298	1,077,743
Depreciation		732,297	866,818
Security Expenses		33,030	44,100
Other Administrative Expenses	14	843,251	1,216,816
Loss on Share Trading		18,679,670	459,702
		<u>279,270,428</u>	<u>391,190,934</u>
Net Profit (Loss)		(28,168,223)	(8,099,229)
Profit B/d. from Previous Year		(14,130,539)	(6,031,310)
Balance carried to balance sheet		(42,298,762)	(14,130,539)
Significant Accounting Policies & Notes forming part of accounts	15		

AS PER OUR REPORT OF EVEN DATE

ON BEHALF OF BOARD OF DIRECTORS

PROPRIETOR
M/S. KAPIL ACHARYA & ASSOCIATES
 CHARTERED ACCOUNTANTS

DIRECTORS
MRS. NALINI V. SHAH

MANAGING DIRECTOR
MR. VIJAY C. SHAH

MR. DINESH P. SHAH

WHOLE TIME DIRECTOR
SWETAL V. SHAH

PLACE : AHMEDABAD

DATE : 27.08.1999

PRERNA FINSAFE LTD.

11th Annual Report 1998-99

SCHEDULE FORMING PARTS OF ACCOUNTS

PARTICULARS	(As at 31.03.99)	(As at 31.03.98)
-------------	------------------	------------------

SCHEDULE : 1 : SHARE CAPITAL
AUTHORISED CAPITAL

65,00,000 Equity shares of Rs. 10 each	65,000,000	65,000,000
--	------------	------------

ISSUED SUBSCRIBED AND PAID UP CAPITAL

60,72,600 Equity shares of Rs. 10 each	60,726,000	60,726,000
--	------------	------------

SCHEDULE : 2 : RESERVE & SURPLUS.
PROFIT & LOSS ACCOUNT

Opening Balance	(14,130,541)	(6,031,310)
Less : Loss during the year	(28,168,221)	(8,099,229)
	<u>(42,298,762)</u>	<u>(14,130,539)</u>

SCHEDULE : 3 : UNSECURED LOANS

From Directos	1,030,646	10,438,500
From Others	6,000,000	9,645,057
	<u>7,030,646</u>	<u>20,083,557</u>