

**7TH ANNUAL
REPORT
1999-2000**

PARNAMI CREDITS LIMITED.

BOARD OF DIRECTORS
As On 29th July, 2000

Sh. Dwarka Das Parnami *Chairman*
Sh. Tribhawan Kumar Parnami *Mg. Director*
Sh. Anil Kumar Parnami *Director*
Sh. Raman Kumar Parnami *Director*
Sh. Braiesh Kataria *Director*

AUDITORS

M/s Vinod Arora & Co.
Chartered Accountants
211-212, Apna Bazar
Gurgaon (Haryana) - 122 001

REGISTERED OFFICE

PARNAMI HOUSE
189/2/1, Civil Lines,
Gurgaon (Haryana) - 122 001

BANKERS

Indian Oversease Bank
Canara Bank
Jammu & Kashmir Bank Ltd.

	Page No.
CONTENTS	1
NOTICE	5
DIRECTORS' REPORT	7
AUDITOR'S REPORT	10
BALANCE SHEET	11
PROFIT & LOSS ACCOUNT	13
SCHEDULES	17
BALANCE SHEET ABSTRACT	18
CASH FLOW STATEMENT	18

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Company will be held on Monday the 25th September, 2000 at 10.00 A.M. at 189/2/1, Civil Lines, Gurgaon-122001 to transact the following as:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000, the Profit & Loss Account of the Company for the year ended on that date and the reports of the Board of Directors & Auditors thereon.
2. To appoint a Director in the place of Mr. Brajesh Katariya, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint auditors of the company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration, and to this effect pass the following as an ordinary resolution:

"RESOLVED THAT pursuant to Section 224 (1) of the Companies Act, 1956 M/s Vinod Arora & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting at such remuneration as may be settled by the Board of Directors"

M/s Vinod Arora & Co., Chartered Accountants, have furnished a Certificate to the effect that their re-appointment, if effected, shall be within the limits prescribed under the provisions of Section 224 (1-B) of the Companies Act, 1956.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass the following, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 198, 269, 309 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company and subject to all requisite permissions, sanctions and approvals as may be necessary or required Mr. T. K. Parnami be and is hereby re-appointed as Managing Director of the Company with effect from 1st August, 2000 for a

period of 5 years at the remuneration, perquisites other benefits and upon terms and conditions set out hereunder:

- I. **Salary** of Rs. 10000 (Rupees Ten thousand only) per month in the scale of 10000- 2000-18000 as may be determined by the Board of Directors of the Company from time to time within the overall ceiling prescribed under Schedule XIII to the Companies Act, 1956.
- II. **Perquisites** subject to the overall ceiling of the salary payable, as above, with initial ceiling of Rs. 10000 per month, as categorised below:

CATEGORY A

- A. **Housing** : Including Gas, Electricity and water. Provided, however, that the expenditure incurred on hiring the unfurnished accommodation shall not exceed 60% of the Salary. In the event, no accommodation is provided by the Company, the Managing Director be paid House Rent Allowance subject to the above ceiling.
- B. **Medical reimbursement** of expenses actually incurred on self and family subject to a ceiling of one month salary in a year or three months' salary over a period of three years.
- C. **Leave travel concession** for self and family in a year in accordance with Company rules.
- D. **Fees of clubs** subject to a maximum of two clubs which shall not include admission or life membership fees.
- E. **Personal accident Insurance** with premium not exceeding Rs. 1000 per month.

CATEGORY B

- A. **Contribution towards Provident Fund** will not be considered or included for the computation of ceiling on perquisites to the extent the same is not taxable under the Income Tax, 1961
- B. **Gratuity** in accordance with the rules of the company as applicable to the senior executives of the Company but not exceeding one-half month's salary for each completed year of service.
3. **The Register of Members and the Transfer Books of the Company will remain closed from 16th September, 2000 to 25th September, 2000 (both days inclusive).**

PARNAMI CREDITS LIMITED

CATEGORY C

- A. Provision of Car with driver shall not be considered as perquisite. Provided, however, that the use of car for personal purposes shall be billed by the Company.
- B. Provision of Telephone at Residence shall not be considered as perquisite. Provided, however, that the personal long distance calls on telephone shall be billed by the Company.

FURTHER RESOLVED THAT the said remuneration and the perquisites be paid/extended to Mr. T.K. Parnami, Managing Director as minimum remuneration in the event of there being loss or inadequacy of profits. Provided, always that the remuneration shall be within the overall limits as placed in Section II of part II of schedule XIII to the Companies Act, 1956.

FURTHER RESOLVED THAT the Managing Director shall not be liable to retire by rotation during his tenure as Managing Director and shall function under the superintendence, direction and control of the Board of Directors.

AND RESOLVED FURTHER THAT the Board be and are is hereby authorised to do all such acts, deeds matters and things as may be deemed necessary expedient or desirable in their entire discretion or to settle any question, doubt or difficulty to give effect to the foregoing resolution(s)."

5. To consider, and if thought fit, to pass the following, with or without modification(s), the following as a **Special Resolution**:

RESOLVED THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered to the extent and in the manner as set out hereunder:

- (1). "Notwithstanding anything contained in Articles 34 to 46, the following new Article 46A be inserted after Article 46 under the heading "DEMATRIALISATION OF SECURITIES"

46A (1) FOR THE PURPOSE OF THIS ARTICLE:

"Beneficial Owner" "Beneficial Owner" shall have the meaning assigned thereto in section 2 (1) (a) of the Depositories Act, 1996

"Depositories Act" "Depositories Act" shall mean a Depository Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository" "Depository" shall mean a Depository as defined in section 2 (1) (e) of the Depositories Act, 1996

"Member" "Member" shall mean a duly registered holder, from time to time, of the security(ies) of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"Security" "Security" shall mean such security as may be specified by Securities and Exchange Board of India (SEBI).

(2) "Dematerialisation of Securities" Notwithstanding anything on the contrary contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in the dematerialised form and further to dematerialise the securities held in depository pursuant to the Depositories Act, 1996

(3) "Option to hold securities in physical form or with depository" Every person holding securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of Security Certificates if permitted by law, or to receive and hold the same in the dematerialised form with a Depository.

(4) "Beneficial owner may opt out of a depository" Every person holding securities of the Company with a Depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act 1996 and the Rules, if any, prescribed thereunder and on fulfilment of the conditions prescribed by the Company from time to time, the Company shall issue the relevant security certificates to the beneficial owner thereof.

PARNAMI CREDITS LIMITED

(5) "Securities in depository to be in fungible form" All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B and 187 C of the Act shall apply to a Depository in respect on the securities held by it on behalf of the beneficial owners.

(6) (a) "Rights of depository and beneficial owners" A depository shall be deemed to be the registered owner for the purpose of effecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(b) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his/her securities which are held by a Depository.

(7) "Transfer of Securities" Transfer of securities held in a depository will be governed by the provisions of the Depositories Act, 1996. Nothing contained in section 108 of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the record of the Depository.

(8) "Register and Index of beneficial owners" The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and security holders of the purpose of these Articles.

(9) "Other Matters" Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and rules/regulations made thereunder shall prevail and apply accordingly.

(2) **RESOLVED THAT** after the existing Article 13, the following new article 13A be inserted under the heading "NOMINATION".

"NOMINATION' 13A : Notwithstanding anything contained in the Articles or in any other law for the time being in force, a holder or joint holders of shares or Debentures, may nominate, in accordance with the provisions of Section 109 A of Companies Act, 1956 and in the manner prescribed thereunder, a person to whom all the rights in the shares or Debentures of the Company shall vest in the event of death of such holder(s). Any nomination so made shall be dealt with by the Company in accordance, with the provisions of Section 109 B of the Companies Act, 1956".

For and on behalf of the Board

Gurgaon
29th July, 2000

T. K. PARNAMI
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy(ies) and vote instead of himself/herself and the proxy(ies) need not be a member of the Company. Proxy(ies) in order to be effective must be signed, stamped and deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of the meeting. Blank proxy form is annexed hereto.
2. The relative Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special business set out at Item Nos. 4 and 5 is annexed hereto.

PARNAMI CREDITS LIMITED

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

Members are aware that Mr. T.K. Parnami was appointed as Managing Director of the Company for a period of 5 year on 1st August, 1995 and his tenure expires on 31st July, 2000.

Mr. T.K. Parnami is proposed to be re-appointed as Managing Director for a period of 5 years effective 1st August 2000 on the terms & conditions set out in the resolution.

Section 198 of the Companies Act, 1956 read with Sections 269 and 309 and Schedule XIII of the Companies Act, 1956 provide the disqualifications and limits on the remuneration payable to the Managing Director. In compliance with the provisions of the foregoing, the re-appointment and payment of remuneration is subject to the approval of the shareholders in a General Meeting.

Mr. T.K. Parnami is a Graduate in Arts and Law and is the promoter of the Company. He has been at the helm of affairs and has rich experience of over 19 years in the field of providing Non Banking finance. He has an illustrious career and is the driving force in the growth of the Company. The Board of Directors are confident that the Company can continue to benefit from the experience and abilities of Mr. Parnami.

The re-appointment placed before the Board of Directors at its meeting held on 29th July 2000 but could not be carried since the disinterested quorum was not present. The resolution as set out at Item No. 4 is therefore placed before the Shareholders for approval.

The terms and conditions as set out in the resolution may be treated as compliance with the provisions of Section 302 of the Companies Act, 1956

Mr. T.K. Parnami is the appointee and is directly interested. All the remaining Directors of the Company, being related to Mr. T.K. Parnami are also indirectly concerned or interested in passing of the said resolution.

Item No. 5

Members are aware that with the introduction of the Depositories Act, 1996 and depository System, some of the provisions of the Companies Act, 1956 in relation to the issue, holding, transfer and transmission of Shares, Debentures and other securities have been amended to facilitate the implementation of the

new systems. The depository system is safe and convenient method to hold and trade in the securities of the Company. The system eliminates several constraints and limitations experienced in the scrip based system such as bad deliveries, fraudulent transfers, theft in postal transit, time taken in registration of transfers, perseverance of Share Certificates etc. The system also offers several cost benefits such as reduction in postage expenses, exemption from stamp duty on transfers etc.

Further, the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999 has provided to every holder of Shares or Debentures or other securities an option to nominate a person to whom his/her shares or Debentures of the Company shall vest in the event of his/her death.

In view of the enabling provisions now being available and keeping in view the larger Shareholder interests, it is proposed to amend the Articles of Association of the Company suitably incorporating therein necessary provisions relating to the implementation of the depository system and for providing nomination facility in conformity with the Depositories Act, 1996 and the Companies Act, 1956, respectively.

Section 31 of the Companies Act, 1956 provides that any alteration to the articles of association of the Company shall be approved by the Shareholders by means of a Special Resolution.

The Directors, therefore, recommend passing of the Special Resolution as set out at item No. 5 of the Notice.

None of the Directors may be deemed to be concerned or interested in passing of the said Resolution.

Copy of Memorandum and Articles of Association of the Company together with the proposed alterations shall be open for inspection by the Shareholders at the Registered Office of the Company on all working days between 10.00 A.M. and 1.00 P.M. upto and inclusive of the date of the Annual General Meeting.

For and on behalf of the Board

Gurgaon
29th July, 2000

T. K. PARNAMI
Managing Director

Regd. Office :
Parnami House
189/2/1, Civil Lines,
Gurgaon - 122001

PARNAMI CREDITS LIMITED

DIRECTOR'S REPORT

TO THE MEMBERS

The Directors are pleased to present the 7th Annual Report on the business and operations of the Company together with Audited Balance Sheet as at 31st March, 2000.

OPERATIONS AND FINANCIAL RESULTS

The year under review saw a marginal recovery with the growth of GDP placed at 6.4% as compared to 5.8% in the preceding financial year. The index of industrial production also recorded a growth of 8.2%, which was a significant improvement over the preceding fiscal. The sales of commercial vehicles too recorded a growth of 22.43%. However, the disappointment was the agricultural sector, which recorded a negative growth of 3.1%

Specific to the Non Banking Financial Sector, though there was a marginal improvement in the off take, it continued to be sluggish. The spreads continued to be narrow which reflected on the bottomline of your Company. The recoveries too continued to be slow.

In this backdrop your Company registered an Income from operations of Rs. 67.93 Lacs for the year under review. Though strictly not comparable, since the preceding period was only of nine months, a comparison of the financial performance of the Company vis-à-vis the preceding period is as under.

	1999-2000 Amount in Rs. Lacs	1998-99 Amount in Rs. Lacs
Income from Operations	67.93	42.90
Profit before Interest Depreciation and Tax	45.73	26.81
Interest	31.60	14.29
Stock valuation difference	-3.59	-6.36
Depreciation and other write offs	5.183	.83
Profit before Tax	5.37	2.33
Profit after Tax	1.59	-0.37

DIVIDEND AND RESERVES

In view of the meager profits for the period under review and with a view to conserve the resources of the company the Directors regret their inability to declare any dividend. Together with the sum brought forward in the Profit and Loss Account a sum of Rs. 2.00 Lacs is being transferred to General Reserves and the balance Rs. 1.27 Lacs is being carried forward in the Profit and Loss Account.

ECONOMIC OUTLOOK

The first three months of the current fiscal have once again recorded a lusterless performance with the production of commercial vehicles recording a negative growth of 5.3% though the sales of commercial vehi-

cles recorded a growth of 9.2% over the corresponding period. The freight rates continue to be low but the Directors are hopeful that the economic growth will pick up in the coming months and will lead to higher offtake of Credit.

As in the preceding years, your Company shall constantly endeavour to improve the spreads by efficient treasury management, competitive and efficient pricing system of services, reduction in cost of funds and control over overheads. As a result of several measures that were initiated during the preceding fiscal there has been a marginal improvement in the bottomline and the Directors are optimistic that there shall be further improvement in the current financial year.

PARNAMI CREDITS LIMITED

DIRECTORS

In accordance with the provisions of the Section 256 of the Companies Act, 1956 and Article 90 of the Articles of Association of the Company, Mr. Brajesh Katariya, Director retires by rotation and, being eligible, offers himself for re-election. The Directors recommend his re-appointment

It is proposed to re-appoint Mr. T.K. Parnami as Managing Director for a period of five years effective 1st August, 2000. In accordance the provisions of Section 269 of the Companies Act, 1956 and Schedule XIII thereto, requisite resolution is placed before the Shareholders in the accompanying Notice.

AUDITORS

M/s. Vinod Arora & Co., Chartered Accountants, the auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting.

The auditors have forwarded a certificate under section 224(1-B) of the Companies Act, 1956, to the effect that their re-appointment, if effected, would be within the limits specified in the said Section.

The Directors recommend their appointment.

The report of the Auditors is self explanatory and no observations are forwarded thereon.

FIXED DEPOSITS

Fixed Deposits from the Public, Shareholders and Employees as on 31st March, 2000 stood at Rs. 217.72 Lacs. There were no unclaimed deposits as on the said date.

PERSONNEL

The employees at all levels continued to put sincere efforts in the growth of the Company. The Employee relations continue to be cordial.

During the year there were no employees, whose particulars are required to be furnished under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules, 1975.

OTHER INFORMATION

The Company is a Non Banking Finance Company and the particulars required to be specified in terms of the provisions of Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are considered to be not applicable.

The Directors further report that there were no Foreign Exchange earnings or outgo.

LISTING AT STOCK EXCHANGES

In accordance with the listing agreement(s) entered into by the Company with the Stock Exchanges the Directors further report that Your Company is listed on Delhi and Jaipur Stock Exchanges and there are no dues towards listing fees to the said Stock Exchanges.

ACKNOWLEDGMENTS

Your Directors take this opportunity to express their deep sense of appreciation and gratitude to its Bankers, Customers, and various government agencies for their assistance, co-operation guidance. The Board also wish to thank the shareholders and Depositors for their unstinted support.

For and on behalf of the Board

Gurgaon
29th July, 2000

T. K. PARNAMI
Managing Director

PARNAMI CREDITS LIMITED

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
PARNAMI CREDITS LIMITED
GURGAON

We have audited the attached Balance Sheet of Parnami Credits Limited, Gurgaon as at 31st March, 2000 and 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 (Auditor's Report) order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement of the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we state that :
 - 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 such books.
 - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts of the Company.

d) In our opinion the Balance Sheet and the Profit & Loss Account complies with the Mandatory Accounting Standards referred to in section 211 (3C) 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 said Balance Sheet and the Profit & Loss Account read together with the notes thereon give information required by the Companies Act, 1956 in the manner so required and give 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, 2000.

AND

ii) In so far as it relates to the Profit & Loss Account of the profit of the Company for the year ended on that date.

for **VINOD ARORA & CO.**
Chartered Accountants

Gurgaon
22nd June, 2000

VINOD ARORA
Proprietor

**ANNEXURE TO
AUDITORS REPORT**

As required by the manufacturing and other companies (Auditors' Report) order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we further report that :

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified which in our opinion is reasonable having regards to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
2. None of fixed assets were revalued during the year.
3. The stock of finished goods, spare parts and raw material have been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable.
4. The procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
5. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
6. According to information & explanations given to us, no material discrepancies have been noticed by the management on verification between physical stock and books stocks.
7. The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 or to Companies under the same management within the meaning of section 370 (I-B) of the Companies Act 1956.
8. The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 or to the Companies under the same management within the meaning of section 370 (I-B) of the Companies Act 1956.
9. In respect of loans and advances in the nature of loans by the company, parties have repaid the principal amount as stipulated and were also regular in the payment of interest.
10. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw material including, plant & machinery, equipment and other assets and with regard to sale of goods.
11. In our opinion and according to information & explanations given to us, there is no transaction of purchase of goods and materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
12. As explained to us, the Company has a

PARNAMI CREDITS LIMITED

regular procedure for the determination of unservicable or damaged stores, raw materials and finished goods and there is no loss on this account during the year under review.

13. In our opinion and according to information & explanations given to us, the Company has complied with the directions issued by the Reserve Bank of India and Non-Banking Financial Companies (Reserve Bank) directions, 1977, as amended from time to time with regard to the deposits accepted from the public
14. According to information & explanations given to us, The Company has no by product or scrap.
15. In our opinion, the Company has adequate internal audit system commensurate with the size and nature of its business.
16. Maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 for the product of the Company.
17. According to the records of the Company and information & explanations given to us Provident Fund and Employee's State insurance laws are not applicable to the Company.
18. According to the information & explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March, 2000 for a period of more than six months from the date they become so payable.
19. According to information & explanation
20. The Company is not a Sick Industrial Company within the meaning of clause (6) of sub-section (1) of section (3) of the Sick Industrial Companies (Special Provisions) Act 1985.
21. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
22. The provisions of special status applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
23. The Company has maintained proper records for dealing or trading in in shares securities, debentures & other investments. The share securities, debentures & other investments have been purchased by the Company in its own name.

given to us, and the records of the Company examined by us, no personal expenses have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practices.

FOR VINOD ARORA & CO.
Chartered Accountants

Gurgaon
22nd June, 2000

VINOD ARORA
Proprietor

PARNAMI CREDITS LIMITED**BALANCE SHEET AS AT 31st MARCH, 2000**

SCHEDULE	CURRENT YEAR		PREVIOUS YEAR
	As at 31.03.2000 (Rs.)		As at 31.03.1999 (9 Months) (Rs.)
SOURCES OF FUNDS			
Share Capital	'A'	3,73,21,040	3,73,21,040
Reserves & Surplus	'B'	7,27,096	5,67,936
Secured Loans	'C'	2,05,880	7,47,080
Unsecured Loans	'D'	2,21,24,872	1,46,44,900
TOTAL		<u>6,03,78,888</u>	<u>5,32,80,956</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	'E'	26,23,115	31,23,140
Less : Depreciation		<u>5,18,998</u>	<u>3,95,207</u>
Net Block		21,04,117	27,27,933
INVESTMENT	'F'	27,99,870	17,99,870
CURRENT ASSETS LOANS & ADVANCES			
Hire Purchase Stock (net)		1,72,85,554	85,30,939
Stock in Securities (At Lower of cost or market price)		16,30,865	18,60,843
Cash & Bank Balances	'G'	13,33,955	2,83,449
Loans & Advances	'H'	3,56,01,163	3,84,85,085
		<u>5,58,51,537</u>	<u>4,91,60,316</u>
Less : CURRENT LIABILITIES & PROVISIONS	'I'	<u>11,81,002</u>	<u>13,46,190</u>
		5,46,70,535	4,78,14,126
MISCELLANEOUS EXPENDITURE			
To the extent not written of or adjusted	'J'	8,04,366	9,38,426
Accounting Policies & Notes on Accounts	'K'		
TOTAL (Rs.)		<u>6,03,78,888</u>	<u>5,32,80,956</u>

Schedule 'A' to 'K' are an integral part of accounts.

In terms of our report attached

For and on behalf of Board of Directors

for Vinod Arora & Co.
Chartered AccountantsDWARKA DASS PARNAMI *Chairman*TRIBHAWAN K. PARNAMI *Managing Director*VINOD ARORA
*Proprietor*BRAJESH K. KATARIA *Director*Gurgaon
22nd June, 2000

PARNAMI CREDITS LIMITED**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2000**

	CURRENT YEAR 31.03.2000 (Rs.)	PREVIOUS YEAR 31.03.1999 (9 Months) (Rs.)
INCOME		
Hire Charges/Interest	35,49,025	23,05,913
Lease Charges	1,59,500	1,55,900
Commission	3,72,485	1,23,530
Dividend	4,250	5,040
Interest : Deposit with Banks	1,936	—
Securities	1,98,521	1,58,600
Loans & Advances	21,87,959	15,28,204
Provision for Interest Tax W/back	70,939	1,355
Miscellaneous Income	48,225	10,993
TOTAL	<u>67,92,840</u>	<u>42,89,535</u>
EXPENDITURE		
Office Rent	1,70,000	45,000
Salaries & Bonus	1,43,968	3,56,340
Printing & Stationery	17,330	41,522
Telephone & Postage Expenses	77,489	45,726
Directors' Remuneration	24,900	1,62,446
Travelling & Conveyance	11,810	1,114
Electricity Charges	32,294	11,111
Bank Charges & Interest	53,722	1,41,117
Interest to Others	1,05,800	13,87,583
Legal & Professional Charges	1,62,585	1,20,906
Insurance	12,827	21,117
Advertisement	55,402	56,646
Staff Welfare	16,360	13,511
Repairs & Maintenance		
Car	92,921	29,169
Scooter	10,011	4,191
Others	<u>1,08,056</u>	<u>10,052</u>
Commission	12,617	14,407
Security Service Charges	14,104	11,315
Entertainment/Business Entertainment	11,514	6,311
Subscription/Membership	1,291	—
Charity & Donation	500	—

PARNAMI CREDITS LIMITED

Auditors' Remuneration	42,000	36,000
Unrealisable Amounts W/Off	—	76,707
Diwali Expenses	25,200	5,000
Rebate & Commission	32,800	20,600
Annual General Meeting Expenses	4,200	5,460
Preliminary Expenses W/Off	10,448	7,836
Public Issue Expenses W/Off	1,23,612	92,709
Profit/Loss on Sale/Valuation of Stocks	3,58,733	6,35,577
Lease Equalisation Charges/Loss on sale of Assets	87,546	3,03,157
Depreciation	2,96,270	2,81,851
Miscellaneous Expenses	27,375	43,208
Income Tax - 1996-97	69,942	—
Provision for Income Tax	3,78,000	2,70,000
TOTAL	66,33,679	43,26,766
Net Profit/Loss for the year	1,59,161	(-) 37,231
Profit b/forward from last year	1,67,935	4,80,166
	<u>3,27,096</u>	<u>4,42,935</u>
Amount Transferred to General Reserve	2,00,000	2,75,000
Balance Transferred to Balance Sheet	1,27,096	1,67,935
	<u>3,27,096</u>	<u>4,42,935</u>

In terms of our report attached.

for **Vinod Arora & Co.**
Chartered Accountants

VINOD ARORA
Proprietor

DWARKA DASS PARNAMI *Chairman*

TRIBHAWAN K. PARNAMI *Managing Director*

BRAJESH K. KATARIA *Director*

Gurgaon
22nd June, 2000

PARNAMI CREDITS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 1.03.2000 (Rs.)	As at 31.03.1999 (Rs.) (9 Months)		
SCHEDULE 'A'				
SHARE CAPITAL				
AUTHORISED				
55,00,000 Equity shares of Rs. 10/- each	5,50,00,000	5,50,00,000		
ISSUED, SUBSCRIBED & PAID UP				
55,09,400 Equity shares of Rs. 10/- each	5,00,94,000	5,00,94,000		
Less : Calls unpaid	1,27,72,960	1,27,72,960		
TOTAL	3,73,21,040	3,73,21,040		
SCHEDULE 'B'				
RESERVE & SURPLUS				
GENERAL RESERVE				
Balance at the beginning of the year	4,00,000	1,25,000		
Amount transferred during the year	2,00,000	6,00,000		
Profit & Loss Account	1,27,096	2,75,000		
TOTAL	7,27,096	5,67,935		
SCHEDULE 'C'				
SECURED LOAN				
From Ashok Leyland Finance Limited (Secured against Hypothecation of vehicle)	2,05,880	7,47,080		
TOTAL	2,05,880	7,47,080		
SCHEDULE 'D'				
UNSECURED LOAN				
From Shareholders	6,85,515	5,00,621		
From Others	2,10,86,860	1,39,73,488		
Interest Payable on above	3,52,497	1,70,791		
TOTAL	2,21,24,872	1,46,44,900		
SCHEDULE 'E'				
FIXED ASSETS				
GROSS BLOCK				
	Balance as at	Addition during	Sale/Adjustment	Total
Particulars	01.04.1999	the year	during the period	(Rs.)
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
OWN USE ASSETS				
Car	16,72,155	—	—	16,72,155
Scooter	61,932	—	—	61,932
Furniture & Fixture	4,33,187	—	—	4,33,187
Office Equipment	1,95,209	—	—	1,95,209
Computer	2,60,633	—	—	2,60,633
LEASED ASSETS				
Truck	5,00,024	—	5,00,024	—
TOTAL	31,23,140	—	5,00,024	26,23,116
Previous Year	39,30,920	10,42,105	18,49,885	31,23,140

PARNAMI CREDITS LIMITED**SCHEDULES FORMING PART OF THE BALANCE SHEET**

Particulars	DEPRECIATION			WRITTEN DOWN VALUE AS AT		
	Upto 31.03.1999 (Rs.)	For the year (Rs.)	W/back during the year (Rs.)	Total (Rs.)	31.03.2000 (Rs.)	31.03.1999 (Rs.)
OWN USE ASSETS						
Car	1,29,725	1,58,856	—	2,88,581	13,83,574	15,42,430
Scooter	15,738	5,884	—	21,622	40,310	46,184
Furniture & Fixture	55,903	27,421	—	83,323	3,49,863	3,77,284
Office Equipment	29,576	12,356	—	41,932	1,53,277	1,65,633
Computer	41,292	42,248	—	83,540	1,77,093	2,19,341
LEASED ASSETS						
Truck	1,22,973	49,505	1,72,478	—	—	3,77,051
TOTAL	3,95,206	2,96,270	1,72,478	5,18,998	21,04,117	27,27,933
<i>Previous Year</i>	<i>8,03,084</i>	<i>2,81,851</i>	<i>6,91,728</i>	<i>3,95,207</i>	<i>27,27,933</i>	

SCHEDULE 'F'**INVESTMENTS**

Indira Vikas Patra	15,39,870	10,99,870
HSEB Bonds		
(4 Bonds of face value of Rs. 1,00,000/- each)	4,00,000	4,00,000
MSEB Bonds		
(3 Bonds of face values of Rs. 1,00,000/- each)	3,00,000	3,00,000
M. K. V. D. Corporation		
(1 Bond of face value of Rs. 1,00,000/- each)	1,00,000	—
Fixed Deposit with J & K Bank Limited	4,60,000	—
TOTAL	27,99,870	17,99,870

Market value available being
Unquoted Investment

SCHEDULE 'G'**CASH & BANK BALANCES**

Cash in hand	2,80,161	1,72,004
Balance in current A/cs with :		
Oriental Bank of Commerce	3,796	3,967
Corporation Bank	22,247	—
The Jammu & Kashmir Bank Limited	7,45,862	1,05,474
Canara Bank	2,74,917	1,964
Karnataka Bank	6,972	—
TOTAL	13,33,955	2,83,449

SCHEDULE 'H'**LOANS & ADVANCES**

(Unsecured-Considered Good)		
Security Deposit	2,77,200	3,78,000
Application/Allotment Money for Shares	24,20,000	31,20,000
Prepaid Expenses	35,377	34,820
Loans & Advances	2,59,35,310	2,90,67,506
Incidental Charges Receivable	4,34,932	2,01,085
Cheques deposited but not cleared by bank	3,72,169	8,06,046
Instalment due but not received	45,26,709	41,19,634
Interest Accrued but not due	3,39,044	1,49,308
Deposit for Telephone	13,800	13,800
Advance Tax & TDS	7,13,538	3,80,936
Advance against property	3,25,000	—
Staff Advance	400	1,400
Other Advances & Receivables	2,07,684	2,13,150
TOTAL	3,56,01,163	3,84,85,685

PARNAMI CREDITS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2000 (Rs.)	As at 31.03.1999 (Rs.) (9 Months)
SCHEDULE 'I'		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Security Deposits/Margin Money	70,000	4,30,000
Income Tax deducted at source	39,291	4,475
Cheques issued but not presented for payment	2,41,693	3,34,436
Expenses payable	1,47,018	2,17,279
PROVISIONS		
Income Tax	6,83,000	3,60,000
TOTAL	<u>11,81,002</u>	<u>13,46,190</u>

SCHEDULE 'J'			
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
PRELIMINARY EXPENSES			
Balance at the beginning at the year	73,140	80,976	73,140
Less : W/Off during the year	10,448	62,692	7,836
PUBLIC ISSUE EXPENSES			
Balance at the beginning of the year	8,65,286	9,57,995	8,65,286
Less : W/Off during the year	1,23,612	7,41,674	92,709
TOTAL	<u>8,04,366</u>	<u>8,04,366</u>	<u>9,38,426</u>

SCHEDULE 'K'

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. ACCOUNTING POLICIES

- (a) Financial statements have been drawn up on the basis of historical cost convention.
- (b) Fixed assets are stated at cost price.
- (c) Depreciation on fixed assets is provided on straight-line method at the rates specified in schedule XIV to the Companies Act, 1956 on *pro-rata* basis.
- (d) Inventories are valued at cost price.
- (e) Stock of securities-shares are valued at market price being lower than cost price.
- (f) All Expenses & Income have been accounted for on accrual basis to the extent considered necessary.
- (g) Preliminary expenditure & Public issue expenses are written off equally over 10 years.
- (h) Shortfall in depreciation on account of difference in book value & sale price of leased assets is charged to lease equalisation charges.

2. NOTES ON ACCOUNTS

- (a) Interest for the year has not been provided on loans amounting to Rs. 134.40 lakhs shown under the head provided on 'Loans & Advances'.

PARNAMI CREDITS LIMITED

- (b) Balance with parties are subject to confirmation.
- (d) In the opinion of Board of Directors of the Company the Current Assets and Loans & Advances are realisable at the value at which they are shown in the Balance Sheet.
- | | | |
|--|--------|----------|
| (e) Earnings in Foreign Exchange | NIL | (NIL) |
| (f) Break up of auditors' remuneration | | |
| i) As Auditors | 18,000 | (15,000) |
| ii) In respect of Taxation Matters | 24,000 | (21,000) |
| (f) Contingent liabilities not provided for. | NIL | (NIL) |

Figures in bracket are for previous year.

- (g) Information on other items contained in schedule VI Part-II of the Companies Act, 1956 is NIL.
- (h) Income Tax assessment has been completed upto assessment year 1997-98. Provision for Income Tax has been made to the extent considered necessary.
- (i) Previous year figures have been re-grouped/re-arranged to make them comparable with current year figures.

Signatures to Schedules 'A' to 'K'.

In terms of our report attached

For Vinod Arora & Co.
Chartered Accountants

DWARKA DASS PARNAMI *Chairman*

TRIBHAWAN K. PARNAMI *Managing Director*

BRAJESH K. KATARIA *Director*

VINOD ARORA
Proprietor

Gurgaon
22nd June, 2000

PARNAMI CREDITS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI PART IV OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No.

3 2 0 7 0

State Code

0 5

Balance Sheet Date

3 1 0 3 2 0 0 0
Date Month Year

(Refer Code List)

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

0 0 0 X X X 0 0

Rights Issue

0 0 0 X X X 0 0

Bonus Issue

0 0 0 X X X 0 0

Private Placement

0 0 0 X X X 0 0

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

0 0 0 6 0 3 7 9

Total Assets

0 0 0 6 0 3 7 9

Sources of Funds

Paid-up Capital

0 0 0 3 7 3 2 1

Reserve & Surplus

0 0 0 0 0 0 7 2 7

Secured Loans

0 0 0 0 0 2 0 6

Unsecured Loans

0 0 0 2 2 1 2 5

Application of Funds

Net Fixed Assets

0 0 0 2 1 0 4

Investments

0 0 0 2 8 0 0

Next Current Assets

0 0 0 5 4 6 7 1

Miscellaneous Expenditure

0 0 0 0 0 8 0 4

Accumulated Losses

0 0 0 N I L 0 0

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover

0 0 0 6 7 9 3

Total Expenditure

0 0 0 6 1 8 6

Profit/Loss Before Tax

0 0 0 + 6 0 7

Profit/Loss After Tax

0 0 0 + 1 5 9

Earning per Share (Rs.)
(For fully paid Shares)

0 0 0 0 1 2

(Please tick
Appropriate box + for
profit - for loss)

Dividend Rate (%)

0 0 0 N I L 0 0

V. Generic Names of Principal Products/Services of the Company (as per monetary terms)

Item Code No.

N O T A P P L I C A B L E

Product Description

a) L E A S E A N D H I R E P U R C H A S E

b) C O R P O R A T E F I N A N C E

c) I N V E S T M E N T S

for Vinod Arora & Co.
Chartered Accountants

for and on behalf of Board of Directors

Place : Gurgaon
Date : 22nd , June, 2000

VINOD ARORA
Proprietor

DWARKA DASS PARNAMI
Chairman

T.K.PARNAMI
Managing Director

BRAJESH KATARIA
Director

PARNAMI CREDITS LIMITED**CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2000**

	CURRENT YEAR 1999-2000 (12 Months)	PREVIOUS PERIOD 1998-99 (15 Months)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extraordinary items	6,23,710	5,35,926
Adjustment for Depreciation	2,96,270	2,81,851
Preliminary Expenses W/off	10,448	7,836
Public-Issue Expenses written off	1,23,612	92,709
Provision for Interest Tax W/back	70,939	
Interest/Dividend	(3,04,707)	1,63,640
Operating profit before working Capital Charges		
Capital Changes	8,20,272	7,54,662
Adjustment for Trade & Other Receivables	58,70,093	(9,16,452)
Inventories	(2,29,978)	(7,23,277)
Trade & Other payables	(1,65,188)	(9,32,506)
Taxation	(4,47,942)	(2,70,000)
Cash generated from operating activities	<u>(54,32,973)</u>	<u>(6,40,999)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	—	10,42,105
Sale of Fixed Assets	2,40,000	8,55,000
Investment	10,00,000	(2,94,870)
Interest Received	3,00,457	1,58,600
Dividend Received	4,250	5,040
Net Cash used in investing activities	<u>(4,55,293)</u>	<u>(3,18,335)</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Increase in share capital	—	8,000
Secured Loan	(5,41,200)	7,47,080
Unsecured Loan	74,79,972	3,78,474
Preliminary/Public Issue Expenses	—	—
Net cash From Financial Activities	69,38,772	11,33,554
Net Increase in Cash/Cash equivalents (A + B + C)	(10,50,506)	(1,74,220)
Cash & Cash equivalents (beginning of the year)	2,83,449	1,09,229
Cash & Cash equivalents (end of the year)	13,33,955	2,83,449

For & on Behalf of the Board

DWARKA DASS PARNAMI
Chairman

TRIBHAWAN K. PARNAMI
Managing Director

BRAJESH K. KATARIA
Director

Place : Gurgaon
Date : 22nd June, 2000

AUDITORS' CERTIFICATE

We have examined the attached cash flow statement of Parnami Credits Ltd. Gurgaon for the year ended 31st March, 2000. The statement has been prepared by the Company in accordance with the requirement of clause 32 of the Company's listing agreement with the Stock exchanges and is based on and derived from the Balance Sheet of Company at 31st March, 2000 and the Profit & Loss Account for the year ended on that date covered by our report of even date to the members of the Company.

for Vinod Arora & Co.
Chartered Accountants

Place : Gurgaon
Date : 22nd June, 2000

VINOD ARORA
Proprietor

PARNAMI CREDITS LIMITED

PARNAMI CREDITS LTD.

Regd. Office : PARNAMI HOUSE, 189/2/1, Civil Lines, Gurgaon-122 001

PROXY FORM

L.F.NO. (S)

I/We of

in the district of being a member/members of

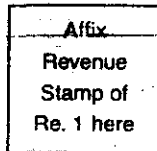
PARNAMI CREDITS LTD. hereby appoint

of in the district of or failing

him/her of in the district of

as my/our proxy to vote for me/us on my/our behalf at the **7TH ANNUAL GENERAL MEETING** of the Company to be held on Monday, the 25th day of September 2000 at 189/2/1, Parnami House, Civil Lines, Gurgaon (Haryana) at 10.00 A.M. and at any adjournment thereof.

Signed this day of 2000.



Signature of Member :

Signature of Proxy Holder :

Address :

- Note :
1. The Proxy need not be a member of the Company.
 2. The Proxy to be valid should be duly stamped with a revenue stamp of Rs. 1/- and executed by the member and should reach the Company's Administrative Office at least 48 hours before the time fixed for the Meeting.

PARNAMI CREDITS LTD.

Regd. Office : PARNAMI HOUSE, 189/2/1, Civil Lines, Gurgaon-122 001

ATTENDANCE SLIP

NAME & ADDRESS OF
THE SHAREHOLDER

L.F. NO. (S)

No. of shares held

I hereby record my presence at the **7TH ANNUAL GENERAL MEETING** of Company to be held on Monday, the 25th day of September 2000 at Parnami House, 189/2/1, Civil Lines, Gurgaon (Haryana).

SIGNATURE OF THE SHAREHOLDER(S)/PROXY