

14th
ANNUAL REPORT

2006 - 2007

PARNAMI CREDITS LIMITED

BOARD OF DIRECTORS

As On 29th June, 2007

Sh. Dwarka Das Parnami	<i>Chairman</i>
Sh. Tribhawan Kumar Parnami	<i>Mg. Director</i>
Sh. Anil Kumar Parnami	<i>Director</i>
Sh. Brajesh Kataria	<i>Director</i>
Sh. Anil Khanna	<i>Director</i>
Sh. Kishan Chand Wadhwa	<i>Director</i>

AUDITORS

M/s Vinod Arora & Co.

Chartered Accountants

211-212, Apna Bazar

Gurgaon (Haryana) - 122 001

CORPORATE LAW ADVISOR

N. K. Rastogi & Associates

109, Choudhary Complex,

9 V.S. Block, Shakarpur,

Delhi - 110 092

REGISTERED OFFICE

Parnami House

189/2/1, Civil Lines,

Gurgaon (Haryana) - 122 001

BANKERS

Bank of Baroda

Jammu & Kashmir Bank Ltd.

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NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of the Company will be held on 11th Day of September, 2007 at 9.00 A.M. at Chaupal Banquet & Restaurant, Delhi Road, Gurgaon to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2007, 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 Sh. Brajash Kataria, 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.
 - a) **"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".

By the order of the board

SD/-
T.K. Parnami
Managing Director

Place : Gurgaon

Dated : 29-06-2007

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.
2. Proxy (ies) in order to be effective must be signed stamped and deposited at the Registered office of the company not less than forty eight hours before the commencement of the meeting. Blank Proxy form is annexed hereto.
3. The register of Members & Share Transfer Book of the Company will remain closed from 8th September to 11th September 2007 (both days inclusive)

By the order of the board

SD/-
T.K. Parnami
Managing Director

Place : Gurgaon

Dated : 29-06-2007

PARNAMI CREDITS LIMITED

DIRECTORS' REPORT

TO

**THE MEMBERS
PARNAMI CREDITS LIMITED**

The Directors are pleased to present the 14th Annual Report on the business and operations of the company together with Audited Balance Sheet as at 31st March 2007.

OPERATION AND FINANCIAL RESULTS :

The summary of operation and financial results of the company for the year with comparative figures for last year is as under.

PARTICULARS	2005-2006 Amount in Rupees Lac.	2006-2007 Amount in Rupees Lac.
Income from operation	158.07	46.06
Profit before interest Depreciation and Tax	85.93	50.08
Interest	0.73	2.37
Stock Valuation Difference	-2.45	-0.33
Profit before tax	81.10	45.51
Profit after tax	79.85	38.82

As per the directions given by the Reserve Bank of India your Company is not accepting public deposits.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required by the Companies (amendment) Act 2000 the board of directors confirm as under.

- a. That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. The Directors have 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 of the Company for that period.

- c. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

PARNAMI CREDITS LIMITED

- d. That the Directors have prepared the annual accounts on going concern basis.

DIVIDEND AND RESERVE

Your Directors has transferred a sum of Rs. 5.50 lac to the NBFC Reserve fund and a sum of Rs. 9.00 Lac tranfered to General reserve. In view to conserve the resources of the company the director regret their inability to declare any dividend. Together with the sum brought forward in the Profit and loss account balance of Rs. 12.52 lacs is being carried forward in the profit and loss account.

DIRECTORS

In accordance with the provisions of the Section 256 of The Companies Act 1956 and Articles 90 of the Articles of Association of the company, Sh. Brajesh Kataria retires by rotation and being ellgible , offers himself for re-applontment.The Directors recommend his re-appointment.

AUDITORS

M/s Vinod Arora & Co., Chartered Accountant , 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 (I-B) of the Companies Act 1956 , to the effect that their reappointment , If effected, would be within the limits specified in the said section.

FIXED DEPOSITS

The Company has not received any Fixed Deposits from the Public nor there are any deposits outstanding as on 31st March, 2007.

PERSONNEL

The employees at all levels continued to put sincere efforts in the growth of the company . The employees 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.

REPORT ON CORPORATE GOVERNANCE

The mandatory recommendation of the committee on Corporate Governance, as stipulated under clause 49 of the listing Agreement with the stock Exchanges have become applicable on your company. For the information of our shareholders a separate section on corporate governance duly audited by the Statutory Auditors as per legal requirement is included in the annual Report.

OTHER INFORMATION

The Company is a Non Banking Finance Company and the particaulars required to be specified in terms of the provision of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 are considered to be not applicable.

The directors further report that there were no foreign exchange earning or out go.

LISTING AT STOCK EXCHANGE

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.

ACKNOWLEDGEMENTS

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 thanks the shareholders for their unstinted support.

for and on behalf of the Board

Sd/-

T. K. Parnami
Chairman

GURGAON
29th June, 2007

REPORT ON CORPORATE GOVERNANCE

(forming part of Directors report for the period ended on 31st March, 2007)

A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The company is committed to good corporate Governance. The company respect the right of its shareholders to information on the performance of the company and it is its endeavor to maximize the long term value to the shareholders of the company. The compliance Report is prepared and given below in conformity with the mandatory requirements of the Listing Agreement with the Stock Exchanges.

B. BOARD OF DIRECTORS

The company is managed and controlled through Board of Directors. The composition of the Board of Directors as on 31st March, 2007 is as follows.

a.	Promoter/Executive Director	Two
b.	Non-Executive Director	Four
c.	TOTAL	Six

C. MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met 04 (Four) times during the financial year 2006-2007 on the following dates.

1. 30-06-2006
2. 31-07-2006
3. 30-10-2006
4. 19-01-2007

The maximum gap between two meeting was 92 days. The Attendance record of participation directors at the Board meeting and Annual General Meetings (AGM) from 1-4-2006 to 31-3-2007 is as follow :-

	Name of the director	Number of meeting		Whether attended
		Held	Attended	Last AGM
1.	D D Parnami	04	02	Yes
2.	T.K. Panami	04	04	Yes
3.	Anil Parnami	04	04	Yes
4.	Brijesh Kataria	04	04	Yes
5.	Anil Khanna	04	04	Yes
6.	Kishan Chand Wadhwa	04	04	Yes

D. AUDIT COMMITTEE

The Audit Committee was constituted with Sh. T K Parnami as Chairman and Sh. Brajesh Kataria and Sh. Anil Kumar Parnami as members of the committee. The committee discharges such duties and functions generally indicated in clause 49 of the listing Agreement with the Stock exchanges and such other function as may be specifically delegated to the committee by the Board from time to time.

E. SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE

The company has a shareholders/investors Grievance Committee, Which is headed independently by Sh. Brijesh Kataria to attend and address the grievance of shareholder/investors as and when received.

PARNAMI CREDITS LIMITED

F. GENERAL BODY MEETING

YEAR	LOCATION	DATE	DAY	TIME
2006	Chaupal banquet & Restaurant Delhi Road, Gurgaon	25-08-2006	Friday	9.00 A.M.
2005	Chaupal banquet & Restaurant Delhi Road, Gurgaon	29-08-2005	Monday	9.00 A.M.
2004	Chaupal banquet & Restaurant Delhi Road, Gurgaon	10-08-2004	Tuesday	9.00 A.M.
2003	Chaupal banquet & Restaurant Delhi Road, Gurgaon	28-06-2003	Saturday	9.00 A.M.

G. DISCLOSURES

- a. The company has not entered into any transaction of material nature with Promoters, the Director or the management or their relative etc., that may have any potential conflict with the interest of the company.
- b. The company has complied with the requirements of the Stock Exchanges, The SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures passed on the company by the Stock Exchanges, the SEBI or any other statutory authority relating to the above.

H. MEANS OF COMMUNICATION.

The half-yearly/quarterly results are published in the newspapers (Delhi Edition) and are not being sent to each of share holders. The results are usually published in Jansatta (in Hindi) and The Financial Express (in English).

I GENERAL SHARE HOLDER INFORMATION

Date, Time, and Venue of AGM	Tuesday, 11th September, 2007 at 9.00 A.M. Chaupal Banquet & Restaurant Delhi Road, Gurgaon.
Financial Calender	April to March every Year
Adoption of quaterly results For the quarter ending	4th week of
30th June, 2007	July 2007
30th September, 2007	October 2007
31st December, 2007	January 2008
31st March, 2008	April 2008
Date of Book Closure	8th September to 11th Sept. 2007 (Both Days Inclusive)
ISIN number for NSDL/CDSL	INE837C01013

PARNAMI CREDITS LIMITED

Address for correspondence :
Registrar & Share Transfer Agent

MAS SERVICES PRIVATE LIMITED
AB-4, Safdarjung Enclave, N. Delhi-29
Ph. : 26104142, 26104292 Fax : 26181081

Registered Office

PARNAMI HOUSE
189/2/1, Civil Lines, Gurgaon.

A committee of Directors has been constituted to approve the transfer, transmission, dematerialization of shares, issued of duplicate share certificates and allied matters. The company's Registrars **M/s Mas Services Private Limited** have adequate infrastructures to process share transfer and dematerialization of shares.

DISTRIBUTION OF SHARE HOLDING AS ON 31ST MARCH 2007.

Particulars	No. of Share Holder	% to Total	No. of Share	% to Total
1-500	1419	58	704800	14
501-1000	578	24	549950	11
1001-2000	166	7	283050	6
2001-3000	89	4	227600	5
3001-4000	32	1	112600	2
4001-5000	42	2	188750	3
5001-10000	56	2	443100	9
Above 10000	51	2	2499550	50
Total	2433		5009400	

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The member

Parnami Credits Limited

Gurgaon.

We have examined the compliance of conditions of corporate governance by Parnami Credits Limited ("The Company") for the year ended 31st March 2007 as stipulated in clause 49 of listing agreement of the said company with the Delhi stock exchange and The Jaipur stock exchange.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company ensuring the compliance of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company. In our opinion and to the best of our information and according to the explanation given to us we certify that the company has complied with the condition of Corporate governance as stipulated in the above listing agreement.

PARNAMI CREDITS LIMITED

We state that no investor grievance is pending for a period exceeding one month against the company as per records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For VINOD ARORA & CO.
Chartered Accountants

Sd/-
VINOD ARORA
Proprietor

Gurgaon
29th June, 2007

AUDITORS' REPORT**TO THE SHAREHOLDERS OF
PARNAMI CREDITS LIMITED
GURGAON**

1. We have audited the attached Balance Sheet of PARNAMI CREDITS LIMITED, GURGAON as at 31st March, 2007 and also the profit & loss account of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued

by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

4. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998 we give in the Annexure I a statement on the matters specified in paragraph 3 and 4 of the said directions.
5. Further to our comments in the Annexure referred to in paragraph 3 & 4 above :
 - i) 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.
 - ii) 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.
 - iii) The balance sheet and profit & loss account referred to in this report are in agreement with the books of accounts of the company.
 - iv) In our opinion, the Balance Sheet and the Profit & Loss Account comply with the Mandatory Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.

- v) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2007 from being appointed as directors in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.
- vi) 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 the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- a) In the case of the Balance Sheet, of the State of Affairs of the company as at 31st March, 2007.

AND

- b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date.

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

Gurgaon
29th June, 2007

Sd/-
VINOD ARORA
Proprietor

PARNAMI CREDITS LIMITED
GURGAON**ANNEXURE TO AUDITORS' REPORT**

Referred to in paragraph 3 of our report of even date.

- i. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed Assets have been physically verified by the management at year end and no material discrepancy was noticed on such verification.
- (c) No substantial part of fixed assets has been sold during the year.
- ii. The company carries stock of securities only, proper records for the same have been maintained by the company.
- iii. (a) The company has neither granted nor taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) The rate of interest and other terms and conditions on loans given or taken by the company, secured or unsecured are not prima facie prejudicial to the interest of the company.

PARNAMI CREDITS LIMITED

- (c) A sum of Rs. 15.54 lakhs is over due. The Company is taking reasonable steps for recovery of the same.
- iv. There is an adequate internal control procedure commensurate with the size of the company and the nature of its business.
- v. During the year there are no transactions that need to be entered in the register in pursuance of section 301 of the Act.
- vi. There are no public deposits outstanding as at the end of the year.
- vii. The company has an internal audit system commensurate with its size & nature of its business.
- viii. The maintenance of cost records has not been prescribed by the Central Government under clause(d) of sub-section(1) of section 209 of the Act for the company.
- ix. The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales-tax, Wealth-tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities, there are no out-standing statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- x. The accumulated losses of the company at the end of the financial year are less than fifty percent of its net worth. During the year the company has not incurred cash losses during the financial year and in the financial year immediately preceding such financial year also
- xi. The company has not defaulted in re-payment of dues to a financial institution or bank. There are no debentures.
- xii. The company has not granted any loans and advances on the basis of securities by way of shares, debentures and other securities.
- xiii. The company has maintained proper records in respect of its dealing or trading in shares, securities and other investments during the year.
- xiv. The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xv. The term loans taken by the company were applied for the purpose for which the loans were obtained.
- xvi. The funds raised on short term basis have not been used for long term investments.
- xvii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

PARNAMI CREDITS LIMITED

- xviii. The company has not issued any debentures.
- xix. During the year the company has not raised any money by public issue.
- xx. No fraud on or by the company has been noticed or reported during the year.

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

Gurgaon
29th June, 2007

Sd/-
Vinod Arora
Proprietor

- i) Complied with prudential norms on income recognition, accounting standards, asset classification, provisioning for bad and doubtful debts, and concentration of credit/investment.
- ii) Capital adequacy ratio as disclosed in the return submitted to the Reserve Bank of India has been correctly determined and such ratio is in compliance with the minimum capital to Risk Asset ratio prescribed by Reserve Bank of India.
- (c) The company has not opened any branch during the financial year.

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

Gurgaon
29th June, 2007

Sd/-
Vinod Arora
Proprietor

ANNEXURE-I TO AUDITORS' REPORT

1. The company has obtained certificate of registration from the Reserve Bank of India.
2. (a) As on 31.03.2007 there are no public deposits outstanding.

(b) As specified in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Director, 1998 the company has :

PARNAMI CREDITS LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2007**

SOURCE OF FUNDS	SCHEDULE	31.03.2007 (Rs.)	31.03.2006 (Rs.)
Share Capital	A	3,78,42,040	3,75,47,040
Reserve & Surplus	B	20,50,000	6,00,000
Secured Loans	C	8,15,920	5,30,280
Profit & Loss Account		12,52,493	-
TOTAL		4,19,60,453	3,86,77,320
APPLICATION OF FUNDS			
FIXED ASSETS			
	D		
Gross Block		33,25,095	26,18,563
Less: Depreciation		<u>14,23,843</u>	<u>12,03,856</u>
Net Block		19,01,252	14,14,707
INVESTMENTS	E	1,44,30,000	3,50,000
CURRENT ASSETS, LOANS & ADVANCES			
Hire Purchase Stock (net)		-	3,36,665
Stock in securities (At lower of cost or market price)		11,18,081	8,80,822
Work in Progress (At Cost)		-	-
Cash & Bank Balance	F	12,12,541	4,54,587
Loans & Advances	G	2,44,56,396	3,76,02,340
		<u>2,67,87,018</u>	<u>3,92,74,414</u>
Less: Current Liabilities & Provisions	H	11,57,817	35,42,036
		2,56,29,201	3,57,32,378
Profit & Loss Account - Dr. Balance		-	11,80,235
ACCOUNTING POLICIES & NOTES ON ACCOUNTS			
	I		
TOTAL		4,19,60,453	3,86,77,320

Schedules 'A' to 'I' are an integral part of accounts.

In terms of our report attached

for Vinod Arora & Co.
Chartered Accountants

Sd/-
VINOD ARORA
Proprietor

Gurgaon
29th June, 2007

For and on behalf of Board of Directors

Sd/-
DWARKA DASS PARNAMI Chairman
Sd/-
TRIBHAWAN K. PARNAMI Managing Director
Sd/-
BRAJESH K. KATARIA Director

PARNAMI CREDITS LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

INCOME	31.03.2007 (Rs.)	31.03.2006 (Rs.)
Hire Charges/Interest	23,335	1,75,500
Income from Dealing in shares	2,30,917	23,36,325
Income on Valuation of shares	-	-
Dividend	9,580	10,240
Interest:		
Bank	-	3,260
Securities	41,250	44,902
Loan & Advances	30,21,226	28,67,456
Profit on sale of Assets		-
Provision for Doubtful Assets W/back	26,59,900	1,03,62,683
Miscellaneous Income	12,80,000	7,264
TOTAL	72,86,218	1,58,07,630
EXPENDITURE		
Office Rent	3,24,000	3,24,000
Salaries & Bonus	10,88,957	7,50,510
Printing & Stationery	30,950	22,724
Telephone & Postage Expenses	53,556	82,854
Directores' Remuneration	2,40,000	2,40,000
Travelling & Conveyance	22,200	3,000
Electricity Charges	44,183	41,643
Bank Charges & Interest	2,36,951	73,372
Legal & Professional Charges	68,932	63,084
Insurance	25,955	3,054
Advertisement	14,100	5,005
Staff Welfare	2,271	14,502
Repairs & Maintenance:		
Car	68,868	41,360
Scooter	4,155	8,134
Others	81,522	73,038
Entertainment/Business Promotion	12,033	17,476
Subscription/ Membership	42,488	43,663
Auditors' Remuneration	42,000	-
Audites & Taxes	5,973	42,000
Commission	-	-
Annual General Meeting Expenses	8,731	5,510

PARNAMI CREDITS LIMITED

Bed Debts	-	2,7,38,427
Preliminary Expenses W/off	-	10,452
Public Issue Expenses W/off	-	1,23,614
Loss on Valuation of Shers	32,646	244,894
Depreciation	2,19,987	1,63,914
Miscellaneous expenses	11,008	25,367
Income Tax	9,123	-
Fringe Benefit Tax	32,942	10,556
Provision for Doubtful/Sub Standard Assets	-	25,25,045
Provision for Income Tax	6,60,000	1,25,000
TOTAL	33,83,491	78,22,198
Net Profit for the year	3882728	7985432
Profit/ Loss B/Forward from last year	11,80,235	91,65,667
TOTAL	27,02,493	(-) 11,80,235
Amount Transferred to NBFC Reserve Fund	5,50,000	-
Amount Transferred to General Reserve	9,00,000	-
Profit / Loss / C/over to next year	12,52,493	-11,80,235

In terms of our report attached

for Vinod Arora & Co.
Chartered Accountants

Sd/-
VINOD ARORA
Proprietor

Gurgaon
29th June, 2007

For and on behalf of Board of Directors

Sd/-

DWARKA DASS PARNAMI Chairman

Sd/-

TRIBHAWAN K. PARNAMI Managing Director

Sd/-

BRAJESH K. KATARIA Director

PARNAMI CREDITS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

31.03.2007 (Rs.)

31.03.2006 (Rs.)

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

50,09,400 Equity shares of Rs. 10/- each 5,00,94,000 5,00,94,000

Less : Calls unpaid 1,22,51,960 1,25,46,960

TOTAL **3,78,42,040** **3,75,47,040**

SCHEDULE 'B' RESERVE & SURPLUS

GENERAL RESERVE

Balance at beginning of the year 6,00,000 6,00,000

Add : Amount Transferred during the year 9,00,000 15,00,000 - 6,00,000

NBFC Reserve Fund

Amount Transferred during the year 5,50,000 5,50,000 -

TOTAL **20,50,000** **6,00,000**

SCHEDULE 'C' SECURED LOANS

From ICICI Bank 4,66,900 31,680

From G E - Countrywide 3,49,020 4,98,600

(Secured against Hypothecation of vehicles)

TOTAL **8,15,920** **5,30,280**

SCHEDULE 'D' FIXED ASSETS

GROSS BLOCK

PARTICULARS	Balance as at	Addition	Sale during	Total
	01-04-2006 (Rs.)	during the year (Rs.)	the year (Rs.)	(Rs.)
Car	14,91,485	7,06,532	-	21,98,017
Scooter	61,932	-	-	61,932
Furniture & Fixture	4,33,186	-	-	4,33,186
Office Equipment	2,64,559	-	-	2,64,559
Computer	3,61,121	-	-	3,61,121
Mobile Phone	6,280	-	-	6,280
TOTAL	26,18,563	7,06,532	-	33,25,095
Previous Year	19,15,846	7,02,717		26,18,563

PARNAMI CREDITS LIMITED

PARTICULARS	DEPRECIATION			WRITTEN DOWN VALUE AS AT		
	Up to 31.03.2006	For the the year	W/back during	Total	31.03.2007	31.03.2006
Car	4,21,596	1,76,447	-	5,98,043	1,59,974	10,69,889
Scooter	56,926	-	-	56,926	5,006	5,006
Furniture & Fixture	2,47,847	27,420	-	2,75,267	1,57,919	1,85,339
Office Equipment	1,33,943	15,246	-	1,49,189	1,15,370	1,30,616
Computer	3,41,095	-	-	3,41,095	20,026	20,026
Mobile Phone	2,449	874	-	3,323	2,957	3,831
TOTAL	12,03,856	2,19,987	-	14,23,843	19,01,252	14,14,707
Previous Year	10,39,942	1,63,914		12,03,856	14,14,707	8,75,904
SCHEDULE 'E' INVESTMENTS						
M.K.V.D. Corporation - 1 Bond Govt. Security of face value of Rs. 50,000/-				50,000		50,000
MSEB-3 Bonds of face value of Rs. 1,00,000/- each				3,00,000		3,00,000
Advance Against purchase of property				1,40,80,000		-
TOTAL				14,43,000		35,000
SCHEDULE 'F' CASH & BANK BALANCE						
Cash in hand				24,344		81,553
Balance in current account with :						
Jammu & Kashmir Bank				11,21,239		3,60,072
Bank of Baroda				66,958		7,773
Canara Bank				-		5,189
TOTAL				12,12,541		4,54,587
SCHEDULE 'G' LOANS & ADVANCES						
Unsecured-Considered Good)						
Security Deposits				2,77,200		2,77,200
Prepaid Expenses				20,962		704
Loans & Advances				2,14,67,373		3,20,79,612
Incidental Charges Receivable				66,997		14,773
Cheques Deposited but not cleared by Bank				-		4,31,482
Instalment due but not Received				15,53,820		38,53,720
Deposit for Telephone				6,000		6,000
Advance Tax TDS				7,42,252		8,63,174
Other Advances & Receivables				3,21,792		75,675
TOTAL				2,44,56,396		3,76,02,340
SCHEDULE 'H' CURRENT LIABILITIES & PROVISIONS						
CURRENT LIABILITIES						
Income Tax Deducted at Source				12,467		-
Cheques issued but not presented for payment				46,297		1,58,908
Expenses Payable				3,00,233		2,14,408

PARNAMI CREDITS LIMITED

PROVISION		
Doubtful/Substandard Assets	13,820	26,73,720
Income Tax	7,85,000	4,95,000
TOTAL	11,57,817	35,42,036

SCHEDULE 'I' ACCOUNTING POLICIES & NOTES ON ACCOUNTS

I. ACCOUNTING POLICIES

- Financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of companies Act, 1956 and comply with the Accounting standard issued by the Institute of chartered Accountants of India.
- Fixed assets are stated at cost price.
- Depreciation on fixed assets is provided on straight-line method at the rates specified in schedule XIV of the Companies Act, 1956 on pro-rata basis.
- Stock of securities-shares are valued at lower of cost or market price. Investments are stated at cost price.
- All expenses & income have been accounted for on accrual basis.

II. NOTES ON ACCOUNTS & ADDITIONAL INFORMATION

- Out of provision for bad/doubtful assets a sum of Rs. 26.60 lakhs has been written back as the amount against which the said provision was created has been received during the year.
 - Balance with parties are subject to confirmation.
 - In the opinion of Board of Directors of the company the current assets and loan & advances are realisable at the value at which they are shown in the Balance Sheet.
 - Earnings in Foreign Exchange Nil (Nil)
 - Break up of auditors' Remuneration
 - As Auditors 18,000 (18,000)
 - In respect of Taxation Matters 24,000 (24,000)
 - Contingent liabilities not provided for. Nil (Nil)
- Figures in bracket are for previous year.
- Information on other items contained in schedule VI part II of the companies Act, 1956 is Nil.
 - Income Tax assessment has been completed upto assessment year 2005-06. Provision for Income Tax has been made to the extent considered necessary.
 - Previous year figures have been re-grouped/re-arranged to make them comparable with current year figures.

Signatures to Schedule 'A' to 'I'.

In terms of our report attached

for Vinod Arora & Co.
Chartered Accountants

Sd/-
VINOD ARORA
Proprietor

Sd/-
DWARKA DASS PARNAMI Chairman
Sd/-
TRIBHAWAN K. PARNAMI
Managing Director
Sd/-
BRAJESH K. KATARIA Director

Gurgaon
29th June, 2007

PARNAMI CREDITS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007**

	CURRENT YEAR 31-03-2007	PREVIOUS YEAR 31-03-2006
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Loss before Tax & Extraordinary Items	45,42,728	81,10,432
Adjustment for Depreciation	2,19,987	1,63,914
Preliminary Expenses W/off	-	10,452
Public Issue Expenses Written off	-	1,23,614
Interest / Dividend	-50,840	-55,142
Operating Profit before Working Capital Changes	47,11,875	83,53,270
Adjustment for Trade & other Receivable	-1,34,82,609	32,50,297
Inventories	2,37,259	9,67,606
Work-in-Progress	-	-
Trade & other Payable	23,84,219	82,27,571
Taxation	6,60,000	1,25,000
Cash Generated from Operating Activities	1,49,13,006	42,18,602
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	-7,06,532	-
Sale of Fixed Assets	-	70,271
Investment	-1,40,80,000	50,000
Interest Received	41,250	44,902
Dividend Receive	9,590	10,240
Net Cash used in Investing Activities	(-) 14,735,692	(-) 5,97,575
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Unpaid Calls Received	2,95,000	2,26,000
Secured Loan	2,85,640	3,08,520
Unsecured Loan	-	(-) 38,28,348
Net Cash from Financial Activities	5,80,640	(-) 32,93,828
Net Increase in Cash / Cash Equivalents (A+B+C)	7,57,954	3,27,199
Bank & Cash Equivalents (Beginning of the year)	4,54,587	1,27,388
Bank & Cash Equivalents (Closed of the year)	12,12,541	4,54,587

For & on Behalf of Board of Directors

for Vinod Arora & Co.
Chartered Accountants

Sd/-

VINOD ARORA
ProprietorGurgaon
29th June, 2007

Sd/-

DWARKA DASS PARNAMI
Chairman

Sd/-

TRIBHAWAN K. PARNAMI
Managing Director

Sd/-

BRAJESH K. KATARIA
Director

AUDITORS' CERTIFICATE

We have examined the attached cash flow statement of Parnami Credits Limited, Gurgaon for the year ended 31st March, 2007. 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 Exchange and is based on and derived from the Balance Sheet of Company as at 31st March, 2007 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

Gurgaon
29th June, 2007

Sd/-
VINOD ARORA
Proprietor

PARNAMI CREDITS LIMITED

PARNAMI CREDITS LTD.

Regd. Office : Parnami House, 189/2/1, Civil Lines, Gurgaon - 122 001

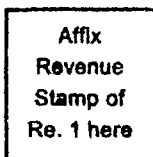
PROXY FORM

L.F. No. (S)/DPID/Client Id

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 14TH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 11th day of September, 2007 at Chaupal Banquet Restaurant, Delhi Road, Gurgaon (Haryana) at 9.00 A.M. and at any adjournment thereof.

Signed this day of 2007



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)
DPID/CLIENT ID

No. of shares held

I hereby record my presence at the 14th ANNUAL GENERAL MEETING of Company to be held on Tuesday, the 11th day of September, 2007 at Chaupal Banquet & Restaurant, Delhi Road, Gurgaon (Haryana).

SIGNATURE OF THE SHAREHOLDER(S)/PROXY

BOOK POST

If undelivered, please return to :

PARNAMI CREDITS LIMITED

"PARNAMI HOUSE"

189/2/1, Civil Lines,

Gurgaon - 122 001 (Haryana)