

# PARAAN LIMITED

**38<sup>TH</sup> ANNUAL REPORT  
2010 - 2011**



**DIRECTORS**

Shri Vishvesh Bhatt  
Shri Rahul K. Mohatta  
Shri Girish R. Desai

**BANKERS**

ICICI Bank Limited

**REGISTERED OFFICE**

28, SHOBHANA NAGAR  
VASNA ROAD  
Vadodara – 390 015.

**R & T AGENTS**

**Link Intime India Private Limited**  
308, First Floor, Jaldhara Complex,  
Opp. Manisha Society,  
Off. Old Padra Road,  
Vadodara – 390 015.

**STOCK EXCHANGE**

**Bombay Stock Exchange Ltd. (BSE)**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

**Contents**

Notice .....	4
Directors' Report .....	12
Compliance Certificate .....	14
Auditors' Report .....	17
Balance Sheet .....	20
Profit & Loss Account .....	21
Schedules to the Accounts .....	22
Notes to Accounts .....	24
Balance Sheet Abstract .....	28
Cash Flow Statement .....	29
Attendance Slip / Proxy Form .....	31

# **PARAAN LIMITED**

---

## **NOTICE**

NOTICE is hereby given that the 38<sup>th</sup> Annual General Meeting of the Members of Paraan Limited, will be held at Registered office of the Company at 28, SHOBHANA NAGAR, Vasana Road ,Vadodara – 390 015 on Thursday, the 16<sup>th</sup> June, 2011 at 12.30 p.m. to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit & Loss Account for the year ended on 31<sup>st</sup> March, 2011 and the Director's Report and Auditor's Report thereon.
2. To appoint M/s.BRV & Associates, Chartered Accountants, retiring auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
3. To appoint a Director in the place of Shri Rahul Mohatta, who retires by rotation and being eligible, offers him for re-appointment.

### **SPECIAL BUSINESS**

4. Alteration / Re-classification of Authorised Capital of the Company

To consider and if thought fit, to pass with or without modifications, the following, resolution as a Special Resolution

"RESOLVED THAT pursuant to the provision of Section 94, 97 and all other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby re-classified from Rs. 3,25,00,000/- (Rupees Three Crores Twenty Five Lacs Only) divided into 25,000 (Twenty Five Thousand) equity shares of Rs. 100/- (Rupees Hundred Only) each and 3,00,000 (Three Lacs) Preference Shares of Rs. 100/- (Rupees Hundred Only) each to Rs. 3,25,00,000/- (Rupees Three Crores Twenty Five Lacs Only) divided into 3,25,000 (Three Lacs Twenty Five Thousand) equity shares of Rs. 100/- (Rupees Hundred Only) each, with the rights, privileges and conditions attaching thereto as are provided by the regulations of the company for the time being with the powers to increase or reduce its capital and to divide the shares into the capital for the time being into other classes thereto respectively such preferential, deferred, qualified or other special rights privileged conditions, or restriction, as may be determined by in accordance with the Articles of Association of the company and to vary, modify or abrogate any such rights, privileges or conditions or restriction in such manner as may for the time being permitted by the Articles of the company or the legislative provisions for the time being in force in that behalf.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by deleting the existing Clause V of the Memorandum of Association of the Company by substituting in its place and stead, the following as new Clause V:

"V. The Authorised Share Capital of the Company is Rs. 3,25,00,000/- (Rupees Three Crores Twenty Five Lacs Only) divided into 3,25,000 (Three Lacs Twenty Five Thousand) Equity shares of Rs. 100/- (Rupees Hundred Only) each, with a power to increase or reduce the capital of the company or to divide that share in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such a manner as may, for the time being, be provided by the Articles of Association of the Company."

5. Issue of Equity Shares and Warrants convertible into Equity Shares of the Company on Preferential Basis  
To consider and if thought fit, to pass with or without modifications, the following, resolution as a Special Resolution:

## 38th Annual Report - 2010-11

“RESOLVED THAT in accordance with the provisions of section 81, 81(1A) and other applicable provisions if any of the Companies act, 1956 and in accordance with the existing guidelines issued by the Securities and Exchange Board of India (SEBI) and subject to all necessary approvals, consents , permissions and / or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, Secretarial of Industrial Approvals under the Foreign Exchange Management Act, 1999 (including any statutory modification or re-enactment thereof, for the time being in force) and other applicable laws, and enabling provisions in the Memorandum and Articles of association of the company and the listing agreements entered into by the company with the stock exchange where the shares of the company are listed and subject to such terms and conditions as may be determined by the board of directors of the company (herein after referred to as “The Board” which expression shall include a committee , constituted for the time being in force, thereof ) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board , the consent and approval of the company be and is hereby accorded to Board and the Board be and is hereby authorised to offer, issue and allot on preferential basis 4000 (Four Thousand) Equity Shares of Face Value of Rs. 100/- (Rupees One Hundred Only) each at a price of Rs. 1,800/- (Rupees One Thousand Eight Hundred Only) per share including premium of Rs. 1,700/- (Rupees One Thousand Seven Hundred Only) and 26,000 (Twenty Six Thousand) Convertible Warrants (‘hereinafter referred to as ‘Warrants’) of Rs. 100/- (Rupees One Hundred Only) each at a price of Rs. 1,800/- (Rupees One Thousand Eight Hundred Only) per share including premium of Rs. 1,700/- (Rupees One Thousand Seven Hundred Only) from time to time in one or more lots to Promoters and others, being the price which is in accordance with the Regulations for Preferential Issue contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 (“SEBI ICDR Regulations”) persons mentioned below on a Preferential basis:

Sr. No.	Name of the proposed Allottees	Address of the Proposed Allottees	No of Equity shares to be allotted	No of Warrants to be allotted	Category	Allottee is :QIB/ MF/FI/ Trust/ Banks
1	Asis Industries Pvt Ltd.	'A' Wing, 2nd Floor, Mhatre Pen Building, Senapati Bapat Marg, Dadar (East), Mumbai – 400028.	4,000	26,000	Non Promoter	N.A.
		TOTAL	4,000	26,000		

**RESOLVED FURTHER THAT** the Equity Shares / Convertible Warrants on Preferential basis shall be issued by the company on the following terms and conditions:

1. The Equity Shares / Convertible Warrants to be issued on preferential basis to above allottees shall be locked in for a period as prescribed under SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009.
2. Each Convertible Warrant shall be convertible into one equity share of nominal value of Rs.100/- each at a price of Rs. 1,800/- which include a premium of Rs. 1,700/- per share, calculated in accordance with the SEBI guidelines for preferential allotment of shares.
3. The Convertible Warrant holder(s) shall, before the date of allotment of warrants, pay an amount equivalent to 25% of the total consideration per warrant i.e. Rs. 450/- per Convertible Warrant proposed to be allotted.
4. The Convertible Warrant holder(s) shall, on the final call and conversion of Convertible Warrant into equity share, pay balance amount equivalent to 75% of the total consideration per Convertible Warrant i.e. Rs. 1,350/- per Convertible Warrant proposed to be allotted.

## **PARAAN LIMITED**

---

5. The amount referred in (3) above shall be forfeited, if the option to acquire shares is not exercised within a period of 18 months from the date of allotment.
6. The number of Warrants and the price per Warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI Regulations, 2009 for corporate actions such as bonus issue, rights issue, stock split, merger, de-merger, and transfer of undertaking, sale of a division or any such capital or corporate re-structuring.
7. The entire amount of the consideration on 4,000 Equity shares i.e. Rs.1800/- per share to be paid at the time of application.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the said Special Resolution u/s. 81, 81(1A) and other applicable provisions of the Companies Act, 1956 the Board of Directors of the Company are hereby Authorized to take such steps and to do all such acts, deeds, matters and things and agree and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as they deem fit and appropriate and give such directions / instructions as may be necessary to settle any question or difficulty for the offer / issue and allotment of Equity Shares / Warrants in such manner as may be deemed fit and appropriate by the Board of Directors and or any legal / regulatory body , to be most beneficial to the company.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby Authorized to delegate any or all the powers conferred upon it by this resolution, to any committee formed thereof for the powers conferred upon it by this resolution, to any individual so Authorized by the Board.

**RESOLVED FURTHER THAT** the shares referred to above shall in all respect rank pari-passu with the existing fully paid up equity shares of the company, provided that they shall confer on the holders of the right to dividend, if any, for the financial year in which they are allotted pari-passu from the date of allotment of new shares.

**RESOLVED FURTHER THAT** in the event of the Company issuing Bonus and / or rights shares before the aforesaid conversion of share warrants into equity shares, the holder of share warrants / equity shares shall be entitled to the allotment of bonus and / or rights shares proportionately, so however, the warrant holder would be entitled to the said bonus and / or rights shares only upon conversion of warrants into shares.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby Authorized to determine the terms and conditions of the issue including face value, quantity, issue price (Including Price range), manner of calls etc. in such manner as the Board may deem fit and proper in its absolute discretion to be most beneficial to the company and to approach SEBI and / or any other competent authority to do all such acts, deeds, matters and things as may be necessary, appropriate and proper or expedient for giving effect to the above Resolution.

**RESOLVED FURTHER THAT** the funds so raised shall be used to fulfill the additional fund requirements for capital expenditure and expansion of business / commencement of new business including acquisition of companies / businesses, funding long term working capital requirements, marketing, setting up of offices abroad and for other approved corporate purposes.

**RESOLVED FURTHER THAT** the relevant date for the purpose of determining the issue price under SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 relating to the shares to be issued on preferential basis shall be 17/05/2011.

**On behalf of the Board**

Place : Mumbai  
Date : 16<sup>th</sup> May, 2011

RAHUL K.MOHATTA  
Chairman

**Regd. Office:**  
28, Shobhana Nagar, VasanaRoad, Vadodara-390 015

**ANNEXURE TO THE NOTICE**

**Explanatory Statement as required by Sections 173(2) and 192A (2) of the Companies Act, 1956.**

**Item No. 4: To Alter/Reclassify Authorised Share Capital of the company.**

The present Authorised Share Capital of the Company is Rs. 3,25,00,000/- (Rupees Three Crores Twenty Five Lacs Only) divided into 25,000 (Twenty Five Thousand) equity shares of Rs. 100/- (Rupees Hundred Only) each and 3,00,000 (Three Lacs) Preference Shares of Rs. 100/- (Rupees Hundred Only) each. With the view to raise further equity capital in the company, it is necessary to alter the Authorised Share Capital of the company. The 3,00,000 (Three Lacs) Preference shares of Rs. 100/- (Rupees Hundred Only) each are re-classified into 3,00,000 equity shares of Rs. 100/- (Rupees Hundred Only) each. Accordingly, after the alteration the Authorise Share Capital of the company will be Rs. 3,25,00,000/- (Rupees Three Crores Twenty Five Lacs Only) divided into 3,25,000 (Three Lacs Twenty Five Thousand) equity shares of Rs. 100/- (Rupees Hundred Only) each. The proposed alteration of the authorised capital requires the approval of members of the company.

Consequent upon the alteration in the Authorised Share capital, Memorandum of Association of the company will also require alteration so as to reflect the alteration in share capital.

The Board of Directors recommends passing the resolution as Special Resolution. None of the Directors of the Company are in any way concerned or interested in the resolutions.

A copy of the Memorandum of Association together with a copy of the Memorandum of Association reflecting the proposed amendments is available for inspection by the members of the company at its Registered Office between 10.30 a.m. and 12:30 p.m. on any working day (except Saturday & Bank Holidays) of the company.

**Item No.5: Issue of Equity Shares and Warrants convertible into Equity Shares of the Company on Preferential Basis**

As per Section 81(1A) of the Companies Act, 1956, approval of the shareholders in the General Meeting is required for allotment of equity shares / convertible warrants on preferential basis and hence the resolution is placed before the shareholders.

The required disclosure as per 73(1) of SEBI ICDR Regulations regarding Proposed issue is as under:-

1) Objects of this issue:

The object of the issue is to fulfill the additional fund requirements for capital expenditure and expansion of business / commencement of new business including acquisition of companies / businesses, funding long term working capital requirements, marketing, setting up of offices abroad and for other approved corporate purposes.

2) Intention of Promoters /Directors /Key management persons to subscribe to the offer :

The Promoter / Promoter Group do not intend to subscribe any shares of the Company being offered on preferential basis.

## PARAAN LIMITED

### 3) Shareholding pattern before and after the issue:-

The shareholding pattern before and after completion of the proposed preferential issue would be as under:-

Sr. No.	Category	Pre – issue (as on 31.03.2011)		Post Preferential Issue	
		No. of shares	% of Capital	No. of shares	% of Capital
A	Promoters Holding				
1	Indian Promoters	11,465	45.86	11,465	20.85
	Directors & Promoters and Relatives and their Friends	75	0.30	75	0.14
	Foreign Promoters	Nil	Nil	Nil	Nil
2	Persons Acting in Concert	Nil	Nil	Nil	Nil
	Sub-Total	11,540	46.16	11,540	20.99
B	Non-Promoter Holding				
1	Institutional investors	Nil	Nil	Nil	Nil
	Mutual Funds	Nil	Nil	Nil	Nil
	Banks, FIs, Insurance companies	Nil	Nil	Nil	Nil
	NRIS/OCBs	Nil	Nil	Nil	Nil
	FIs	Nil	Nil	Nil	Nil
	Sub-Total	Nil	Nil	Nil	Nil
2	Others				
	Private Body Corporate	455	1.82	30,455	55.37
	Indian Public	13,005	52.02	13,005	23.64
	Clearing Members	NIL	NIL	Nil	Nil
	Sub-Total	13,460	53.84	43,460	79.01
	Grand Total	25,000	100.00	55,000	100.00

#### Notes:-

- 1) The above shareholding pattern has been prepared on the basis of shareholding reported on 31/03/2011 as provided by the Registrar and Share Transfer Agent.
- 2) The post - issue shareholding pattern has been arrived on the assumption that 4,000 equity shares of Rs. 100/- each and 26,000 warrants convertible into equity shares of Rs. 100/- each will be issued, subscribed and allotted as per resolution mentioned in item 5 of the Notice.
- 4) Proposed Time within which the allotment shall be completed.

The allotment of shares / warrants (to be converted in equity shares) on Preferential basis shall be completed within 15 days from the date of shareholders approval provided where the allotment on preferential basis is pending on account of pendency of any approval by any regulatory authority or Central Government as per SEBI ICDR Regulations, the allotment shall be completed within 15 days



## 38th Annual Report - 2010-11

from the date of such approval. The conversion of warrants shall be made according to the terms and conditions as passed in resolution 5 mentioned in item 5 of the Notice

- 5) The Identity of the proposed allottee and the percentage of post preferential issue capital that may be held by him:

The proposed allottees were interested to invest in our company and they approached us in the past when the company decided to raise funds by way of issue of preference share for expanding existing finance related activities and for working capital etc. Subsequently the company approached the allottees to find out their intention to subscribe to preferential issue and the proposed allottees have given their consent to subscribe to the same. The percentage of the post-preferential issue capital held by the proposed allottees is follows:-

Sr. No.	Name of the proposed Allottees	Address of the Proposed Allottees	No. of shares		%		Category	Allottee is : QIB/MF/FI / Trust/Banks
			Prels sue	Postls sue	Prels sue	Postls sue		
1	Asis Industries Pvt. Ltd.	A' Wing, 2nd Floor, Mhatre Pen Building, Senapati Bapat Marg, Dadar (East), Mumbai – 400028.	Nil	30,000 (Refer Note below)	Nil	54.55	Non Promoter	N.A.

Note: The post-issue holding of 30,000 equity shares is considered assuming that the proposed allottee will subscribe 4,000 equity shares and 26,000 warrants and will thereafter also exercise the option to convert the said warrants into equity shares.

The Proposed allottees have not sold any shares during the 6 months period prior to the relevant date.

- 6) Lock- In

The equity shares to be allotted on preferential basis shall be subject to lock in as per the applicable SEBI ICDR Regulations, 2009.

- 7) Change in the control or composition of the Board

There will be no change in the management of the Company pursuant to the issue of Equity shares / Warrants on a preferential allotment basis. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to the proposed preferential allotment.

- 8) Price of the issue

The shares are proposed to be allotted on preferential basis at price, which is higher than the price arrived at as per SEBI ICDR Regulations, 2009.

- 9) The Certificate issued by CA Bhavesh Vora of M/s BRV & Associates, Chartered Accountants, the Statutory Auditors of the Company as to the Pricing of the issue and that this preferential issue of securities is being made in accordance with the regulations on Preferential Allotment issued by SEBI is being placed before the shareholders at the Meeting and also available for inspection at the Registered Office of the company during the business hours on any working days.

## **PARAAN LIMITED**

---

- 10) The Company undertakes that it would re-compute the price of Equity Shares specified above in terms of the provisions of SEBI ICDR Regulations 2009 where it is required to do so.
- 11) In view of the above, it is proposed to issue up to 4,000 equity shares of Rs. 100/- each at a price of Rs. 1,800/- (Rupees One Thousand Eight Hundred Only) per share including premium of Rs. 1,700/- (Rupees One Thousand Seven Hundred Only) and 26,000 warrants of Rs. 100/- each fully paid-up at a price of 1,800/- (Rupees One Thousand Eight Hundred Only) per share including premium of Rs. 1,700/- (Rupees One Thousand Seven Hundred Only) to Non promoters on preferential basis. This is higher than the minimum issue price calculated in accordance with the criteria given under the SEBI ICDR Regulations, 2009.

The Consent of the shareholders is being sought pursuant to the provision of section 81(1A) and other applicable provision of the companies Act, 1956, if any, and in terms of provisions of the Listing Agreements executed by the company with the Stock Exchange in India which the company's shares are listed.

None of the Directors of the Company are interested in this resolution. The Board recommends the special resolution set out in the notice for approval by the members.

**On behalf of the Board**

Place : Mumbai  
Date : 16<sup>th</sup> May, 2011

RAHUL K.MOHATTA  
**Chairman**

**Regd. Office:**  
28, Shobhana Nagar, VasanaRoad, Vadodara-390 015

**NOTES:**

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy Form, duly completed, must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
3. The Register of Members and Share Transfer Book of the Company will remain closed from Friday, the 10<sup>th</sup> June, 2011 to Thursday, the 16<sup>th</sup> June, 2011 (both days inclusive).
4. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 10:30 a.m. and 12:30 p.m. on any working day.
5. The entire work related to share registry in terms of both, physical and electronic has been handed over to Company's R&T Agents, M/s. Link-Intime Private Limited, 308, First Floor, Jaldhara Complex, Opp. Manisha Society, Off. Old Padra Road, Vadodara – 390 015. [Tel: (0265) 2250241, 3249857 Fax: (0265) 2250246 Email: vadodara@intimespectrum.com.] Shareholders are requested to send their communication to the aforesaid address in future.

**On behalf of the Board**

Place : Mumbai  
Date : 16<sup>th</sup> May, 2011

RAHUL K.MOHATTA  
**Chairman**

**Regd. Office:**  
28, Shobhana Nagar, VasanaRoad, Vadodara-390 015

# PARAAN LIMITED

## DIRECTORS' REPORT

To,  
The Members,

Your Directors submit their Report together with audited accounts for the year ended 31<sup>st</sup> March, 2011.

	2010-11	2009-10
<b>Profit/(Loss) before Tax</b>	<b>(279,594)</b>	(98,032)
Provision for Taxation		
- Current Tax	—	—
<b>Profit/(Loss) After Tax</b>	<b>(279,594)</b>	(98,032)
Short/(Excess) Provision for Tax	<b>(17,033)</b>	(100,110)
Profit/(Loss) for the year	<b>(262,561)</b>	2,078
Balance B/Fd. from Previous year	<b>(6,875,790)</b>	(6,877,868)
<b>Balance Carried to Balance Sheet (7,138,351)</b>		(6,875,790)

In view of the current year's carried forward losses, your Directors do not recommend any dividend for the year.

### OPERATIONS:

The Company has not yet started its full fledged business activities. Board of Directors initiated process to start various business activities. Board of directors are confident of good performance in current financial year. The operating results of the company during the year under review shows Net Loss of Rs. 2,79,594 as compared to loss of Rs. 98,032 in the previous year.

### FIXED DEPOSITS:

The Company has not accepted any fixed deposit from public and shareholders during the year under review. Moreover, no fixed deposit as per section 58A is outstanding as on 31<sup>st</sup> March, 2011.

### LISTING DETAILS FOR EQUITY SHARES:

The Company's Equity Shares are listed with Bombay Stock Exchange Limited. The Company is regular in paying listing fees to the Stock Exchange.

Trading in the Company's shares for all investors is permitted in dematerialized form only. The ISIN of the Securities is INE 888E01012.

### PARTICULARS OF EMPLOYEES:

The Company has no employee during the year under review, drawing remuneration in excess of the limit prescribed under Section 217 (2A) of the companies Act, 1956.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:

Your Company has not consumed energy of any significant level and accordingly, no additional investment was made for reduction of energy consumption during the year under review. Considering the nature of activities undertaken by your Company, no comment is made on technology absorption. There has been no foreign earnings or outgo during the year under review.

### DIRECTORS:

Mr. Rahul K. Mohatta, Director is retiring by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment & he has offered himself for re-appointment

### AUDITORS:

M/s BRV & Associates, Chartered Accountant situated in Mumbai has given their consent to act as a Statutory Auditors as per the Companies Act, 1956. The board of Directors recommends their appointment.

### SECRETARIAL COMPLIANCE CERTIFICATE:

As per the Companies Act, 1956, the Company having paid up capital more than Rs. 10 Lacs and less than Rs. 5 Crores is required to obtain a Certificate from a Company Secretary in whole-time practice regarding compliance of various secretarial matters.

Accordingly, the Board of Directors had appointed M/s. D.G. Prajapati & Associates, Company Secretaries, as a Secretarial Auditor. The Secretarial Compliance Certificate issued by M/s. D.G. Prajapati & Associates is attached herewith which forms part of this report.

### DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of the Companies Act, 1956 Directors state that:

- i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- ii) Accounting policies as listed in the Schedule J to the financial statements have been selected and consistently applied and reasonable and prudent judgments have been made so as to give true and fair view of the state of affairs of the Company as on March 31, 2011 and of the Loss of the Company for the accounting year ended on that date;
- iii) Proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of the Act so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities;
- iv) The annual accounts have been prepared on going concern basis.

**Acknowledgement**

Your Directors thank the clients for the confidence in the Company, which has enabled the Company to reach to a new level of customer satisfaction. The Board places acknowledgment to the employees for their teamwork and professional approach for the Company's image.

Your Directors would like to express their gratitude for the continuous support and guidance received from Company's lenders, bankers, the Government departments, SEBI and Stock Exchange officials.

On behalf of the Board of Directors

**RAHUL K. MOHATTA**  
Chairman

Place : Vadodara  
Date : 16<sup>th</sup> May, 2011

# PARAAN LIMITED

## COMPLIANCE CERTIFICATE

To,  
The Members of  
M/s. Paraan Limited  
Vadodara.

We have examined the registers, records, books and papers of **M/s. Paraan Limited** as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanation furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded;
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder;
3. The Company is a Public Limited Company;
4. The Board of Directors duly met 4 times on 29<sup>th</sup> May, 2010, 31<sup>st</sup> July, 2010, 29<sup>th</sup> October, 2010 & 10<sup>th</sup> January 2011 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose;
5. The Company closed its Register of Members from Thursday, the 23<sup>rd</sup> September, 2010 to Saturday, the 25<sup>th</sup> September, 2010 (both days inclusive) and necessary compliance of Section 154 of the Act has been made;
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2010 was held on **25<sup>th</sup> September, 2010** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose;
7. No extra ordinary general meeting was held during the year;
8. The Company has not advanced loan to any of its directors and/or persons or firms or companies referred in Section 295 of the Act during the year;
9. The Company has not entered into any contracts/ arrangements with any party attracting the provisions of Section 297 of the Act during the year;
10. The Company has made necessary entries in the register maintained under Section 301 of the Act;
11. The Company had not made any appointment to which the provisions of Section 314 of the Act are applicable;
12. The Board of Directors has approved the issue of duplicate share certificates.;
13. The Company has:
  - (i) delivered all the certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act (There was no allotment of shares during the year);
  - (ii) & (iii) not declared any dividend for the year ended 31/03/2010;
  - (iv) No dividend, application money, matured deposits or interest thereon remain unclaimed/unpaid in respect of earlier years;
  - (v) Generally complied with the requirements of Section 217 of the Act;
14. The Board of Directors of the company is duly constituted. There was no appointment of Directors, Additional Directors, alternate Directors and directors to fill the casual vacancy during the financial year.
15. The Company is not required to have any Managing Directors/ Whole-time Director/ Manager and so the provisions of Section 269 read with Schedule XIII of the Act are not applicable;
16. The Company has not appointed any sole selling agents during the year under review;
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act;
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to provisions of the Act and the rules made thereunder;
19. The Company has not issued any shares/ debentures/other securities during the financial year;

## 38th Annual Report - 2010-11

20. The Company has not bought back any shares during the financial year ended 31<sup>st</sup> March, 2011;
21. Company has not issued any preference share/debentures and no such securities are outstanding or issued during the year;
22. The Company wherever necessary has kept in abeyance rights to dividends, right shares and bonus shares pending registration of transfer of shares in compliance with the provisions of Act;
23. The Company has neither accepted/renewed any deposit during the year nor has any deposits outstanding as on 31<sup>st</sup> March, 2011;
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and other during financial year ending 31<sup>st</sup> March, 2011 is within the borrowing limit of the company as per companies act, 1956
25. The Company has not made any loans and investments or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. No prosecution was initiated against or shows cause notice was received by the Company under the Act and also no fines and penalties or any other punishment was imposed on the Company during the year.
32. The Company has not received any amount as security from its employees during the year under certification.
33. The company has deposited both employees' and employers' contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

**For D. G. Prajapati & Associates**

**D. G. Prajapati**

Company Secretary (Proprietor)

(Membership No. 11259)

(C.P. No. 4209)

Place : Mumbai

Date : 16<sup>th</sup> May, 2011

# PARAAN LIMITED

## ANNEXURE 'A' REGISTERS MAINTAINED BY THE COMPANY

1. Register of Investments or Loans made.
2. Register of charges under Section 143 and Copies of instruments creating charge under Section 136.
3. Register of members under Section 150 and index of Members under Section 151.
4. Register of Transfers.
5. Books of Accounts under Section 209.
6. Register of Contracts under Section 301.
7. Register of Directors, Managing director, Manager and Secretary under Section 303.
8. Register of Directors' Shareholding under Section 307.
9. Register of Renewed and Duplicate Share Certificates.
10. Register of Directors' Attendance.
11. Minutes Book of Board Meetings.
12. Minutes Book of General meetings
13. Attendance Register of General Meetings.
14. Register of Disclosure of Interest by Directors.
15. Register of Fixed Assets.
16. Register of Proxies.

## ANNEXURE 'B'

FORMS AND RETURNS AS FILED BY THE COMPANY WITH REGISTRAR OF COMPANIES DURING THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2011

Sr. No.	Forms / Document	Particulars	ROC Receipt Documents	Date of Filing	Whether Filed within time or not
1	Form 66	Compliance Certificate Sheet for the year ended 31/03/2010	P54463393	13/10/2010	Yes
2	Balance Sheet u/s 220 FORM 23AC	Balance Sheet for the year ended 31/03/2010	P54465919	13/10/2010	Yes
3	Annual Return u/s 159 FORM 20B	Annual Return made up to 30/09/2010	P59117820	08/11/2010	Yes

**For D. G. Prajapati & Associates**

**D. G. Prajapati**  
Company Secretary (Proprietor)  
(Membership No. 11259)  
(C.P. No. 4209)

Place : Mumbai  
Date : 16<sup>th</sup> May, 2011



AUDITOR'S REPORT

To  
The Members of  
Peraan Limited

Report on the Accounts for the year ended **31<sup>st</sup> March, 2011** in compliance with Section 227(2) of the Companies Act, 1956.

1. We have audited the attached Balance sheet of **Peraan Limited**, as at 31<sup>st</sup> March 2011 and also the annexed Profit & Loss Account of the company for the year ended on that date annexed thereto and The Cash Flow Statement for the year ended on that day. These financial statements are 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 (a) examining, on a test basis, evidence to support the financial statement amount and disclosures the financial statement (b) assessing the accounting principles used in the preparation of financial statements (c) assessing significant estimates made by the management in the preparation of the financial statement and (d) Evaluating 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 and **Companies (Auditors' Report) (Amendment) Order, 2004** issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
  - (a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

- (b) In our opinion, Company has kept proper books of accounts, as required by law, so far as appears from our examination of the books of the Company;
  - (c) The Balance sheet and the Profit and Loss Account and Cash-flow statement referred to this report are in agreement with the books of account of the Company;
  - (d) In our opinion, the accounts comply with the accounting standards referred to in section 211(3C) of Companies Act;
  - (e) On the basis of representation received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director U/s 274(1)(g) of Companies Act, 1956;
5. In our opinion and to the best of our information and according to the explanation given to us, the said balance Sheet and Profit & Loss Account, together read with Significant Accounting Policies and Notes to Accounts, 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:
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March' 2011,
  - (ii) In the case of the Profit & Loss Account, the Loss of the company for the year ended on that date, and
  - (iii) In the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

**For BRV & Associates.**  
Firm Regn. No. 123423W  
Chartered Accountants

**BHAVESH VORA**  
Partner

Place : Mumbai  
Date : 16<sup>th</sup> May, 2011

(M. No. 43908)

# PARAAN LIMITED

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our Report of even date on Accounts for the year ended 31<sup>st</sup> March 2011 of Parran Limited)

In our opinion, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:

- |   |   |
|---|---|
| <p>(i) As there is no fixed asset as on date of balance sheet, clause (i) of the Order, relating to fixed assets is not applicable to the Company.</p> <p>(ii) Due to the nature of its business, clause (ii) of the Order relating to physical verification of inventory is not applicable to the Company.</p> <p>(iii) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has taken interest free unsecured loans from Directors &amp; shareholders covered in the register maintained U/s. 301 of the Companies Act, 1956. The Maximum amount involved for loan during the year was Rs. 4,68,712/- &amp; the year end balance was Rs. 2,20,000/-.</p> <p>(iv) In our opinion and according to information and explanations given to us, the internal control system for purchase of fixed assets and for sanction, disbursements and recovery of loans given by the company are adequate and commensurate with the size of the company and present nature of its business. During the course of our audit no major weakness has been noticed in the internal control system.</p> <p>(v) In our opinion and according to the information and explanation given to us, we are of the opinion that transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.</p> <p>(vi) In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits so far up to 31<sup>st</sup> March 2010. Hence provision of section 58A and 58AA or any relevant provisions of the Act and the rules framed there under are not applicable.</p> <p>(vii) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of the business.</p> | <p>(viii) Due to nature of its business, clause (viii) of the Order, relating to maintenance of cost records is not applicable to the company.</p> <p>(ix) According to the records of the company and information and explanations given to us in respect of statutory and other dues, the company has been generally regular in depositing undisputed statutory dues including Income Tax and other statutory dues with the appropriate authorities during the year. According to the records of the company and information and explanations given to us, there are no disputed statutory dues.</p> <p>(x) In our opinion, the company has at the end of the financial year accumulated losses not less than fifty percent of its net-worth and the company have incurred cash losses in such financial year under report. However, there were no cash losses in the immediately preceding financial year.</p> <p>(xi) According to records of the company, the company has not borrowed funds from financial institutions or banks or issued debentures till 31<sup>st</sup> March 2011. Hence, in our opinion, the question of reporting on default in repayment of dues to financial institutions or banks or debenture holders does not arise.</p> <p>(xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>(xiii) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the company.</p> <p>(xiv) On the basis of our examination of the company's records we are of the opinion that the company is maintaining adequate records regarding transactions and contracts regarding its investment activities in shares and securities and other investment and timely entries have been made in these records. All the investment at the close of the year is held in the name of the Company.</p> <p>(xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by other from banks or financial institutions.</p> |
|---|---|

## 38th Annual Report - 2010-11

- |  |  |
|--|--|
| <p>(xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not availed any term loan during the year.</p> <p>(xvii) According to the records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.</p> <p>(xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year.</p> <p>(xix) The company has not issued any Debentures.</p> | <p>(xx) During the year, the company has not raised any money by public issues.</p> <p>(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.</p> |
|--|--|

**For BRV & Associates.**  
Firm Regn. No. 123423W  
Chartered Accountants

**BHAVESH VORA**  
Partner

Place : Mumbai  
Date : 16th May, 2011

(M. No. 43908)

# PARAAN LIMITED

## BALANCE SHEET AS AT 31ST MARCH , 2011

(Amount in Rupees)

Particulars	Sch. No.	As at 31.03.11 Amount	As at 31.03.10 Amount
<b>SOURCES OF FUNDS:</b>			
1 Shareholders' Funds:			
Share Capital	A	2,500,000	2,500,000
Reserves and Surplus		—	—
2 Loans Funds:			
Secured Loans		—	—
Unsecured Loans	B	220,000	226,986
TOTAL		<u>2,720,000</u>	<u>2,726,986</u>
<b>APPLICATION OF FUNDS:</b>			
1 Fixed Assets:		—	—
2 Investments:	C	7,000	8,500
3 Current Assets, Loans and Advances:			
Stock in trade		—	—
Sundry Debtors		—	—
Cash & Bank Balances	D	970	24,047
Loans and Advances	E	—	69,605
Other Current Assets	F	—	256,557
		<u>970</u>	<u>350,209</u>
Less: Current Liabilities & Provisions:			
Sundry Creditors	G	4,415,009	4,228,899
Other Liabilities	H	11,312	18,614
Provisions	I	—	260,000
		<u>4,426,321</u>	<u>4,507,513</u>
Net Current assets		<u>(4,425,351)</u>	<u>(4,157,304)</u>
4 Miscellaneous Expenditure: (to the extent not written off or adjusted)		—	—
5 Profit & Loss Account		<u>7,138,351</u>	<u>6,875,790</u>
		<u>2,720,000</u>	<u>2,726,986</u>

Accounting Policies & Notes to Accounts

L

The Schedules referred to above form an integral part of accounts.

As per our report of even date attached

**For BRV & ASSOCIATES**  
**Chartered Accountants**

**For PARAAN LIMITED**

**BHAVESH VORA**  
Partner  
M.No. : 43908

**RAHUL K. MOHATTA**  
Chairman

**VISHVESH BHATT**  
Director

Place : Mumbai  
Date : 16<sup>th</sup> May, 2011

Place : Vadodara  
Date : 16<sup>th</sup> May, 2011

38th Annual Report - 2010-11

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011**

(Amount in Rupees)

Particulars	Sch. No.	As at 31.03.11 Amount	As at 31.03.10 Amount
<b>1 INCOME</b>			
Other Income	J	—	73,427
		—	73,427
<b>2 EXPENDITURE</b>	K		
Payment to & For Employees		<b>36,648</b>	9,162
Administrative & Other Expenses		<b>241,781</b>	161,037
Interest & Financial Expenses		<b>1,165</b>	1,260
Loss from sale of Investment		—	—
		<b>279,594</b>	171,459
<b>3 Profit/(Loss) before Tax</b>		<b>(279,594)</b>	(98,032)
4 Provision for Taxation			
- Current Tax		—	—
<b>5 Profit/(Loss) After Tax</b>		<b>(279,594)</b>	(98,032)
6 Short/(Excess) Provision for Tax		<b>(17,033)</b>	(100,110)
7 Profit/(Loss) for the year		<b>(262,561)</b>	2,078
8 Balance B/Fd. from Previous year		<b>(6,875,790)</b>	(6,877,868)
<b>9 Balance Carried to Balance Sheet</b>		<b>(7,138,351)</b>	(6,875,790)
10 Earning Per Share - Basic & Dilluted (in Rs.)		<b>(11.18)</b>	(3.92)

Accounting Policies & Notes to Accounts L  
The Schedules referred to above form an integral part of accounts.

As per our report of even date attached

**For BRV & ASSOCIATES**  
**Chartered Accountants**

**For PARAAN LIMITED**

**BHAVESH VORA**  
Partner  
M.No. : 43908

**RAHUL K. MOHATTA**  
Chairman

**VISHVESH BHATT**  
Director

Place : Mumbai  
Date : 16<sup>th</sup> May, 2011

Place : Vadodara  
Date : 16<sup>th</sup> May, 2011

# PARAAN LIMITED

## Schedules to Balance Sheet as at 31st March, 2011

(Amount in Rupees)

	As at 31.03.2011	As at 31.03.2010
<b>Schedule 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
25,000 Equity Shares of Rs. 100/- each	2,500,000	2,500,000
3,00,000 Preference Shares Of Rs. 100/- each	30,000,000	30,000,000
	<u>32,500,000</u>	<u>32,500,000</u>
<b>ISSUED, SUBSCRIBED, AND PAID UP:</b>		
25,000 Equity Shares Of Rs. 100/- each fully paid-up (Previous Year: 25000 equity shares of Rs. 100/- each)	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>
<b>Schedule 'B'</b>		
<b>UNSECURED LOANS</b>		
From Directors	20,000	—
From Shareholders	200,000	226,986
	<u>220,000</u>	<u>226,986</u>
<b>Schedule 'C'</b>		
<b>Investment</b>		
In Government Securities		
6 Year National Savings Certificates Trade (Unquoted)	—	1,500
a) Purak Vinimay Limited 700 equity shares of Rs. 10/- each (Previous Year 700 equity shares of Rs. 10/- each)	7,000	7,000
	<u>7,000</u>	<u>8,500</u>
<b>Schedule 'D'</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	970	15,370
Balance with Scheduled Banks - in Current Accounts	—	8,677
	<u>970</u>	<u>24,047</u>
<b>Schedule 'E'</b>		
<b>LOANS AND ADVANCES</b>		
Advance recoverable in cash or in kind or for value to be received	—	67,605
Deposits	—	2,000
	<u>—</u>	<u>69,605</u>

**Schedules to Balance Sheet as at 31st March, 2011**

(Amount in Rupees)

	As at 31.03.2011	As on 31.03.2010
<b>Schedule 'F'</b>		
<b>OTHER CURRENT ASSETS</b>		
Income Tax	---	256,557
	---	256,557
<b>Schedule 'G'</b>		
<b>CURRENT LIABILITIES, OTHER LIABILITIES AND PROVISIONS</b>		
<b>SUNDRY CREDITORS</b>		
Sundry Creditors		
a) Outstanding to Micro & Small Enterprises	---	---
b) Outstanding to Other than Micro & Small Enterprises	4,415,009	4,228,899
	4,415,009	4,228,899
<b>Schedule 'H'</b>		
<b>OTHER LIABILITIES</b>		
Outstanding Exp.	4,554	12,216
Duties & Taxes	6,758	6,398
	11,312	18,614
<b>Schedule 'I'</b>		
<b>PROVISIONS</b>		
Provisions for Tax	---	260,000
	---	260,000

# PARAAN LIMITED

## Schedules to Profit & Loss Account for the year ended 31st March, 2011

(Amount in Rupees)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'J'</b>		
<b>INCOME</b>		
Other Income		
Interest Income (Interest on IT Refund)	---	73,427
Misc Income	---	---
Sub Total	<u>---</u>	<u>73,427</u>
<b>SCHEDULE 'K'</b>		
<b>EXPENDITURE</b>		
<u>Payment to &amp; For Employees</u>		
Salaries & Bonus	<b>36,648</b>	9,162
Contribution to Provident & Other Funds	---	---
	<u>36,648</u>	<u>9,162</u>
<u>Administrative &amp; Other Expenses</u>		
Advertisement Expenses	<b>18,132</b>	24,271
Misc. Expenses	<b>71,465</b>	16
Postage & Telegram	<b>11,423</b>	7,940
Printing & Stationery	<b>23,050</b>	19,450
Travelling Expenses	<b>3,930</b>	2,430
Professional Fees	<b>59,558</b>	72,701
Rent Rates & Taxes	---	154
ROC Fees	<b>1,500</b>	2,000
Listing Fees	<b>17,648</b>	---
Director's Sitting Fees	<b>7,500</b>	4,500
<u>Auditors Remuneration</u>		
Audit Fees	<b>27,575</b>	27,575
In other capacity	---	---
	<u>241,781</u>	<u>161,037</u>
<u>Interest &amp; Financial Expenses</u>		
Bank Charges	---	220
Demat Charges	<b>827</b>	844
Interest to others	<b>338</b>	196
	<u>1,165</u>	<u>1,260</u>

### Schedule 'L':

#### ACCOUNTING POLICIES & NOTES TO ACCOUNTS

SCHEDULE OF NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

#### A. ACCOUNTING POLICIES:

##### 1) Basis of Preparation of Financial Statements:

The accounts have been prepared on the historical cost basis and on the principles of a going concern and also in accordance with the standards on accounting issued by Institute of Chartered



## 38th Annual Report - 2010-11

---

Accountants of India referred to in section 211 (3C) of the Companies Act , 1956, unless specifically stated to be otherwise.

Accounting policies, unless specifically stated to be other wise, are consistent and are in accordance with generally accepted accounting principles.

2) Investments:

Long Term Investments are stated at cost. However, when there is a decline other than temporary in the value of long term investment, the carrying amount is reduced to recognize the decline.

3) Recognition of Income and Expenditure :

Income and expenses is accounted on accrual basis. Dividend is accounted for in the year in which the same is received.

4) Taxes on Income :

a) Current Tax: Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.

b) Deferred Tax Provision: Deferred Tax is recognized on timing differences being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

5) Miscellaneous Expenditure:

Preliminary Expenses are amortized over period of five years.

6) Borrowing Cost:

Borrowing cost (if any) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. The amount of other borrowing cost (if any) is recognized as an expense in the period in which they are incurred.

7) Provisions, Contingent Liabilities and Contingent Assets

Provision are recognized for liabilities that can be measured only by using substantial degree of estimation, if

1. The company has a present obligation as a results of past event,
2. A probable outflow of resource is expected to settle the obligation and
3. The amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of

- a. a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- b. a possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

## PARAAN LIMITED

### B. NOTES TO ACCOUNTS:

- 1) The company has taken initiative to establish commencement of new business activities. Accordingly the company has Proposed to pass resolution for the following matters;
  - a) Alteration / Reclassification of authorized capital of the company.
  - b) Issue of equity shares and warrants convertible in to equity shares of the company on preferential basis.
  - c) Rising of additional fund for expansion of business, commencement of new business activity, capital expenditure & for working capital requirement.

In view of this, accounts have been prepared on going concern.

- 2) Credit balances of creditors as also the Loans and Advances are shown as appearing in the accounts and are subject to confirmation.
- 3) Borrowing Cost:  
"NIL" amount of borrowing cost is capitalized during the year.
- 4) In the opinion of the Board, all the Current Assets, Loans and Advances are approximately of the values stated, if realized in the ordinary course of business.
- 5) Related Party Transactions: The following related party transactions were carried out during the reporting period:

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount (₹)
Shri Kailash Biyani	Shareholder (Promoter)	Loan	1,00,000/-
Shri Kishore Mohatta	Shareholder & Relative of Director	Loan	1,00,000/-
Shri Rahul Mohatta	Director	Loan	20,000/-
Shri Vishvesh Bhatt	Director	Director Sitting Fees	1,500/-
Shri Rahul Mohatta	Director	Director Sitting Fees	1,500/-
Shri Girish Desai	Director	Director Sitting Fees	1,500/-

- 6) Managerial Remuneration to Directors:

	<b>For 2010-11</b>	For 2009-10
	<b>Rs. NIL</b>	NIL

- 7) Expenditure in Foreign Currency - Nil  
Income in Foreign Currency - Nil

- 8) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at Balance sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of information available of the Company. This has been relied up on by the auditors.

- 9) The company has discontinued the business of providing Marketing Services. In the absence of business activity, there is no reportable segment as per the guiding principles given in Accounting Standard on Segment Reporting (AS-17).

- 10) Impairment of Assets:

There is no Fixed Asset in the books of the company as on Balance sheet date.

The amount of impairment losses recognizes in the statement of profit and loss during the period

## 38th Annual Report - 2010-11

and the line item(s) of the statement of profit and loss in which those impairment losses are included: NIL

The amount of reversals of impairment losses recognizes in the statement of profit and loss during the period and the line item(s) of the statement of profit and loss in which those impairment losses are reversed: NIL

The amount of impairment losses recognized directly against revaluation surplus during the period: NIL

The amount of reversals of impairment losses recognized directly in revaluation surplus during the period: NIL

11) Contingent Liabilities: There is no contingent liability as on the date of balance sheet.

12) Earning Per Share:

Sr. No.	Particulars	Unit	2010-2011	2009-2010
1	Amount used as the numerator Profit after taxation	In ₹	<b>(2,79,593)</b>	(98,032)
2	Weighted average number of equity shares used as the denominator	Nos.	<b>25,000</b>	25,000
3	Nominal Value of shares (average)	In ₹	<b>100</b>	100
4	Earning per share	In ₹	<b>(11.18)</b>	(3.92)

13) The Company, as on March 31, 2011, has deferred tax assets, primarily representing carry forward of losses and unabsorbed depreciation. In the absence of virtual certainty that sufficient future taxable income would be available against which deferred tax assets can be realized, the Company has not recognized the deferred tax asset as on March 31, 2011.

14) The Company has not appointed company secretary throughout the year under review, according to the provision of sec 383 A (1) of the Companies Act, 1956 due to the unavailability to Company Secretary. The Company has written a letter to the Institute of Company Secretaries of India for giving the names of suitable candidate for appointment of Company Secretary of India. However company has continued to avail services of practicing company secretary.

15) Previous year's figures have re-grouped and re-arranged wherever necessary.

As per our report of even date attached

**For BRV & ASSOCIATES**  
**Chartered Accountants**

**For PARAAAN LIMITED**

**BHAVESH VORA**

Partner

M.No. : 43908

Place : Mumbai

Date : 16th May, 2011

**RAHUL K. MOHATTA**

Chairman

Place : Vadodara

Date : 16<sup>th</sup> May, 2011

**VISHVESH BHATT**

Director

# PARAAN LIMITED

Additional Information Pursuant to the Provisions of Part IV of Schedule VI to the  
Companies Act, 1956

## Balance Sheet abstract and Company's General Business Profile

### I Registration Details

Registration No. :	36313
State Code :	4
Balance Sheet Date :	31.03.2011

### II Capital Raised During the Year (amount in Rs. Thousand)

Public Issue :	Nil
Right Issue :	Nil
Bonus Issue :	Nil
Private Placement :	Nil

### III Position of Mobilisation and Deployment of Funds (Amountt in Rs.)

Total Liabilities :	2,720,000
Total Assets :	2,720,000
Sources of Funds	
Paid up Capital :	2,500,000
Reserve & Surplus :	Nil
Secured Loans :	Nil
Unsecured Loans :	2,20,000
Application of Funds	
Net Fixed Assets :	Nil
Investments :	7,000
Net Current Assets :	-4,425,351
Misc. Expenditures :	Nil
Accumulated Losses :	7,138,351
Deferred Tax Assets :	Nil

### IV Performance of Company (Amount in Rs.)

Total Income :	Nil
Total Expenditure :	279,594
Profit/(loss) before tax :	-279,594
Profit/(loss) after tax :	-279,594
Earning Per Share in Rs. :	-11.18
Dividend Rate (%) :	Nil

### V Generic Names of Three Principal Products/services of the Company (As per monetary terms)

Item Code No. :	N.A.
Product Description :	Marketing Services

**RAHUL K. MOHATTA**

Chairman

**VISHVESH BHATT**

Director

Place : Vadodara  
Date : 16<sup>th</sup> May, 2011

**Statement of Cash Flow prepared pursuant to the Listing Agreement with Stock Exchanges for the year ended on 31st March' 2011**

(Amount in Rupees)

		Year ended 31.03.2011		Year ended 31.03.2010	
A.	Cash Flow from Operating Activities				
	Net Profit before Taxation and Extraordinary activities		(279,593)		(98,032)
	Adjustments for :				
	Loss/(Profit) on sale of Investments	1,500		—	
	Dividend/Interest received	—		—	
			1,500		—
	Operating Profit before Working Capital changes		(278,093)		(98,032)
	Decrease/(Increase) in Trade & Other Receivables	69,605		—	
	Increase/(Decrease) in Sundry Creditors	186,110		(106,644)	
	(Decrease)/Increase in Other Liabilities	(7,302)		8,770	
			248,413		(97,874)
	Cash Generated / (Utilised) in Operations		(29,680)		(195,906)
	Income Tax Paid		13,589		47,662
	Cashflow before extraordinary Items		(16,091)		(148,244)
	Extraordinary Items		—	—	
	Net Cash from Operating Activities A		(16,091)		(148,244)
B.	Cash Flow from Investing Activities				
	Sale of Investments	—		—	
	Dividends/Interest Received	—		—	
	Net Cash from Investing Activities B		—		—
C.	Cash Flow From Financing activities				
	Loan taken		(6,986)		77,379
	Net Increase / (Decrease) in Cash and Cash Equivalents		(23,077)		(70,865)
	Cash and Cash Equivalents as on at the beginning of the year		24,047		94,912
	Cash and Cash Equivalents as on at the end of the year		970		24,047
	Net Increase / (Decrease) in Cash and Cash Equivalents		(23,077)		(70,865)

As per our report of even date attached

**For BRV & ASSOCIATES**  
**Chartered Accountants**
**For PARAAAN LIMITED**
**BHAVESH VORA**

Partner

M.No. : 43908

Place : Mumbai

Date : 16th May, 2011

**RAHUL K. MOHATTA**

Chairman

Place : Vadodara

Date : 16<sup>th</sup> May, 2011**VISHVESH BHATT**

Director



## PARAAN LIMITED

Regd. Office : 28, SHOBHANA NAGAR,VASNA ROAD, Vadodara – 390 015.

### ATTENDANCE SLIP

(To be handed over at the time of entry)

I/We hereby record my/our presence at the Annual General Meeting of the Equity Shareholders of Paraan Limited held on Thursday, the 16th day of June, 2011 at 12: 30 pm, at 28, SHOBHANA NAGAR,VASNA ROAD, Vadodara – 390 015.

Name of the Equity Shareholder / Proxy :		
Registered Folio No. / DP ID - Client ID No. :		
No. of Shares held :		_____ Signature of Equity Shareholder / Proxy

## PARAAN LIMITED

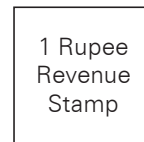
Regd. Office : 28, SHOBHANA NAGAR,VASNA ROAD, Vadodara – 390 015.

### PROXY FORM

For Physical Holding	For Holding in Electronic Form	
LF. No.	DP ID	CLIENT ID

I/We ..... of ..... being Member(s) of PARAAN LIMITED hereby appoint ..... of ..... or failing him ..... of ..... as my / our proxy to attend and vote for me/us and on my/our behalf at the 38<sup>th</sup> Annual General Meeting of the Company to be held on 16<sup>th</sup> June, 2011 and at any adjournment thereof.

Signed this ..... day of ....., 2011.



\_\_\_\_\_  
**Signature**

Notes:

1. Proxy form must reach the Company's Registered office not less than 48 hours before the Meeting.
2. The form should be signed across the stamp as per specimen signature registered with the Company.
3. A Proxy need not be a member.

*If underlivered please return to :*

**PARAAN LIMITED**

28, Shobhana Nagar,

Vasna Road,

Vadodara – 390 015.