

# PRETTO LEATHER INDUSTRIES LIMITED.

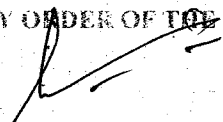
## NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the members of the Company will be held on Thursday, the 30<sup>TH</sup> September, 2010 at 11.00 a.m. at WZ-139C/3, 1<sup>st</sup> Floor, Bhanu Complex, New Mahavir Nagar, New Delhi-110016 to transact the following business :-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2010 and the Profit and Loss Account for the period on that date and the Report of the Directors and Audits thereon.
2. To re-appoint M/S R K Saxena & Associates, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS

  
CHAIRMAN

Place: New Delhi

Date : 01/09/2010

Notes :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote instead of himself / herself and that the proxies need not be a member of the company. The proxies to be effective, should be received by the company not less than 48 hours before the commencement of the meeting.
2. Members are requested to notify any change in their addresses, if any, immediately to the company.

## **DEAR MEMBER**

Your Directors have pleasure in presenting their Annual Report and the audited accounts for the period ended 31<sup>st</sup> March, 2010.

### **OPERATION & OUTLOOK**

During the year the Company has wear a loss of Rs. -----.

### **DIVIDEND**

The Directors do not recommended any dividend during the year and would like to conserve the profit for future expansion of the Company.

### **PARTICULARS OF EMPLOYEES**

During the year there were no employees drawing remuneration attracting the provisions of section 217 (2AA) of the Companies Act, 1956.

### **DEPOSITS**

The Company had not accepted any fixed deposits attracting the provisions of section 58A of the Companies Act 1956.

M/S R. K. Saxena & Associates, Chartered Accountants, New Delhi the Statutory Auditors retire at the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment offers themselves for re-appointment.

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

As the Company has not carried out any manufacturing activities, no details in respect of energy consumption and conservation is provided in the report.

The Company had not adopted any foreign technology during the year.

The details of foreign exchange & outgo provided in the notes to the accounts forming part of the accounts.

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

Your Directors State that:-

1. In preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
2. That the Company had selected such accounting standards, 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 and loss of the Company for that period.
3. That the Company had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the relevant acts for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Annual Accounts of the Company have been prepared on a going concern basis.

## **CHANGE IN REGISTERED OFFICE**

During the year the company has shifted its Registered Office from the State of U.P. to the State of Delhi.

## **AUDIT COMMITTEE**

The Company has constituted the Audit Committee which reviews the Compliance of Accounting Policies in the Company.

**ACKNOWLEDGEMENTS**

The Directors are thankful to the employees, bankers and the shareholders for their co-operation extended to Company.

ON BEHALF OF THE BOARD OF DIRECTORS  
FOR PRETTO LEATHER INDUSTRIES LIMITED



DIRECTOR

PLACE: NEW DELHI

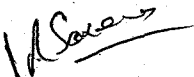
DATE 01/09/2010

**AUDITOR'S REPORT TO THE MEMBERS OF**  
**PRETTO LEATHER INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of PRETTO LEATHER INDUSTRIES LIMITED as at 31<sup>st</sup> March, 2010 and the related Profit and Loss Account for the year ended on that date annexed thereto, which we have signed under reference to this report. These Financial Statements based on our audit.
2. We conducted our audit in accordance with the 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 also includes assessing the accounting principle used as and significant estimates made by the 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 sub-section (4A) of Section 227 of the Companies Act, 1956 of India (The Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in paragraph 3 above, we report that:
  - 4.1 We have obtained all the information and explanations, which to the best of our knowledge belief, were necessary for the purpose of our audit;
  - 4.2 In our opinion, proper books of account as required by law have been kept by the Branch so far as appears from our examination of those books;
  - 4.3 The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

- 4.4 In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in subsection (3C) of Section 211 of the Act;
- 4.5 On the basis of the written representation received from directors as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Director, We report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 and
- 4.6 Subject to note no. 1 (e) regarding change in the method of accounting for future gratuity, In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, 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 Branch as at 31 March, 2010;
  - ii) In case of the Profit and Loss Account, of the Profit for the year ended on that date;

**For and on behalf of the  
RK Saxena & Associates  
Chartered Accountants**

  
**P R Saxena  
Partner  
Membership No.**

**Place: Delhi  
Date 01/09/2010**

## ANNEXURE TO AUDITORS REPORT

(Referred to paragraph 3 of the Auditors Report of the even date to the members of PRETTO LEATHER INDUSTRIES LIMITED on the financial statements for the years ended march 31, 2010

1. a) The company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.  
b) The management informed us that they have physically verified fixed assets in the normal course of the business at regular interval, no material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.  
c) In our opinion and according to the information and explanations given to us, a substantial part of part fixed assets have not been disposed off by the company during the year
2. a) The inventory consisting of stock of tyres & tubes, diesel, stores & spare parts were physically verified by the management during the years. In our opinion, the frequency of the verification is reasonable.  
b) In our opinion, the procedures of physically verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.  
c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. a) According to the information and explanations given to us, the company has, during the year not granted any loans secured or unsecured to company, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion, the requirements of paragraph 3 (b) (c) and (d) of the order are not applicable to the Company.  
b) According to the information and explanations given to us, the company has, during the year not taken any loan secured or secured

from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.

Accordingly, in our opinion, the requirements of paragraph 3(f) and (g) of the order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
5. a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of Act, have been so entered.  
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Provisions of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1957. According to the information and explanation given to us, no order under the aforesaid Sections has been passed by the Company Law Board or National Company Law tribunal or Reserve Bank of India or any court or any other tribunal, on the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under clause (d) sub-section (1) of Section 209 of the Act.



9. A) according to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education fund protection fund, employees state insurance, income tax, sales tax, service tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.  
b) According to the records of the Company and the information and explanations given to us, the Company does not have any disputed dues on account income tax, sales tax service tax wealth tax customs duty, excise duty cess as at March, 31<sup>st</sup> 2010 have no dues.
10. The Company does not have accumulated losses as at March 31, 2010 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. According to the record of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. Based on our examination of the records and the information and explanation given to us by the company has not granted any loans and advances on the basis of security by way of pledge of the shares debentures and other securities.
13. The provision of any special statute applicable to the chit fund//nidhi/mutual benefit fund/societies are not applicable to the Company
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments, hence the requirements of para (xiv) of the order are not applicable to the Company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

16. According to the information and explanations given to us on an overall basis, the terms loan taken by the company have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for a long term investments.
18. The Company has not made any preferential allotment of shares to parties and companies in the register maintained under section 301 of the Act during the year.
19. The Company not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

**For and on behalf of the  
R-K Saxena & Company  
Chartered Accountants**

*R-K Saxena*  
**P R Saxena  
Membership No. 096441**

**Place: New Delh  
Date 01/09/2010**

# PRETTO LEATHER INDUSTRIES LTD.

K - 1, Persa Khera Industrial Estate, Bareilly ( U.P.)

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

DESCRIPTION	Annex. No.	For the Current Year	For the Previous Year
<b>A. INCOME :</b>			
Sales ( including Excise Duty )		-	-
Misc. Income / Receipt ( Stock Sold)		-	-
Interest ( Gross )		-	-
	<b>Total ( A )</b>	<b>-</b>	<b>-</b>
<b>B. EXPENDITURES</b>			
Personnel Exp.	I	35,000.00	33,500.00
Administrative Exp.	II	6,729.00	6,903.00
Finance Expenses	III	-	-
	<b>Total ( B )</b>	<b>41,729.00</b>	<b>40,403.00</b>
<b>NET PROFIT / LOSS BEFORE INCOME TAX</b>	<b>( A - B )</b>	<b>(41,729.00)</b>	<b>(40,403.00)</b>
<b>LESS : PROVISION FOR INCOME TAX</b>		<b>-</b>	<b>-</b>
<b>NET PROFIT / LOSS AFTER TAX</b>		<b>(41,729.00)</b>	<b>(40,403.00)</b>

Notes to the Accounts

Date : 02.09.2010

Place : New Delhi

As per our audit report of even date annexed  
For R.K.Saxena & Associates  
Chartered Accountants

  
P.R.Saxena  
Partner

  
Director

  
Director

# PRETTO LEATHER INDUSTRIES LTD.

K - 1, Persa Khara Industrial Estate, Bareilly ( U.P.)

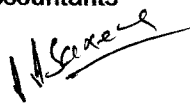
BALANCE SHEET AS ON 31.03.2010

DESCRIPTION	SCH. No.	AS ON 31.03.2010	AS ON 31.03.2009
<b>A. SOURCE OF FUNDS</b>			
Shareholder's Fund :			
Share Capital	1	77,906,000.00	77,906,000.00
Reserve & Surplus	2	(4,166,777.00)	(4,125,048.00)
Loans :	3		
Secured Loans		-	-
Unsecured Loans		-	-
Total ( A )		<u>73,739,223.00</u>	<u>73,780,952.00</u>
<b>B. APPLICATION OF FUNDS</b>			
Fixed Assets :	4		
Gross Block		45,527,480.00	45,527,480.00
Less : Dep.		-	-
Net Block		<u>45,527,480.00</u>	<u>45,527,480.00</u>
Capital Work in Progress		-	-
Project & Pre - Operative Exp.		-	-
		<u>45,527,480.00</u>	<u>45,527,480.00</u>
Investments		-	-
Current Assets, Loans & Advances :	5	21,530,774.00	21,566,703.00
Less : Current Liabilities & Provisions :	6	83,500.00	77,700.00
Net Current Assets		<u>21,447,274.00</u>	<u>21,489,003.00</u>
Provision for Deferred Tax Assets		-	-
Miscellaneous Expenditures	7		
Preliminary Exp. ( Not written off )		6,764,469.00	6,764,469.00
Pre - Op. Exp. ( Not written off )		-	-
Notes to the Accounts	8		
Total ( B )		<u>73,739,223.00</u>	<u>73,780,952.00</u>

Date : 02.09.2010

Place : New Delhi

As per our audit report of even date annexed  
For R.K.Saxena & Associates  
Chartered Accountants

  
P.R. Saxena  
Partner

  
Director

  
Director

# PRETTO LEATHER INDUSTRIES LTD.

K - 1, Persa Khera Industrial Estate, Bareilly ( U.P.)

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31.03.2010

DESCRIPTION	AS ON 31.03.2010	AS ON 31.03.2009
<b>SCHEDULE - 1 , SHARE CAPITAL</b>		
Authorised Share Capital ( 8000000 Eq, Shares of Rs. 10/- each )	80,000,000.00	80,000,000.00
Issued Subscribed & Paid up ( 7800000 Eq, Shares of Rs. 10/- each )	78,000,000.00	78,000,000.00
Less : Unpaid amount of stock - Invest ( Under Reconciliation)	94,000.00	94,000.00
Total	77,906,000.00	77,906,000.00
<b>SCHEDULE - 2 , RESERVE &amp; SURPLUS</b>		
Op. Banance	(4,125,048.00)	(4,084,645.00)
Add. Net Profit Transferred	(41,729.00)	(40,403.00)
Total	(4,166,777.00)	(4,125,048.00)
<b>SCHEDULE - 3 , LOANS</b>		
a.) Secured Loans : Term Loan in Foreign currency from IDBI Bank ( Repaid - Nil)	-	-
b.) Unsecured Loans - From a company	-	-
Total	-	-
<b>SCHEDULE - 5 , CURRENT ASSETS , LOANS &amp; ADVANCES</b>		
a.) Closing Stock : ( As taken, valued and certified by the management )	-	-
b.) Sundry Debtors ( Unsecured considered good, unless otherwise stated ) Debts outstanding for period exceeding six months Other Debts	4,798,808.00 -	4,848,808.00 -
c.) Loans & Advances ( Unsecured considered good, unless otherwise stated ) Loans & Advances to Employees Advances ( receverable in cash or in kind for value to be received ) Balance with Excise Dept. Security Deposits with Govt. Dept. & Others TDS / Advance Tax	- 15,592,060.00 284,086.00 503,560.00 238,592.00	- 15,592,060.00 284,086.00 503,560.00 238,592.00



# PRETTO LEATHER INDUSTRIES LTD.

K - 1, Persa Khara Industrial Estate, Bareilly ( U.P.)

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31.03.2010

DESCRIPTION	AS ON 31.03.2010	AS ON 31.03.2009
d.) Cash & Bank Balance		
Cash in Hand	113,668.00	99,597.00
Cash at Bank:		
- In Current A/C	-	-
- In Fixed Deposits( Including Rs.887390.00 as margin money against Bank Guarantee, Prev. Yr. - Nil )	-	-
Total	<u>21,530,774.00</u>	<u>21,566,703.00</u>
<b>SCHEDULE - 6 , CURRENT LIABILITIES &amp; PROVISIONS</b>		
a.) Current Liabilities :		
Sundry Creditors	80,000.00	75,000.00
Other Liabilities	3,500.00	2,700.00
Trade / Security Deposits Received	-	-
Total a.	<u>83,500.00</u>	<u>77,700.00</u>
b.) Provisions	-	-
Total a,b	<u>83,500.00</u>	<u>77,700.00</u>
<b>NET CURRENT ASSETS</b>	<u>21,447,274.00</u>	<u>21,489,003.00</u>
<b>SCHEDULE - 7 , MISCELLANEOUS EXPENDITURES</b>		
Formation ( Company) Exp.	6,764,469.00	6,764,469.00
Less : Written Off	-	-
Total	<u>6,764,469.00</u>	<u>6,764,469.00</u>

Date : 02.09.2010

Place : New Delhi

  
Director

  
Director

# PRETTO LEATHER INDUSTRIES LTD.

K - 1, Persa Khera Industrial Estate, Bareilly ( U.P.)


ANNEXURE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

DESCRIPTION	During the Year 2009 - 10	During the Year 2008 - 09
<b>Annex. I , PERSONNEL EXPENSES :</b>		
Salaries & Wages	35000.00	33500.00
Employer's Contribution for ESI	0.00	0.00
Director's Remuneration	0.00	0.00
Staff Welfare Expenses	0.00	0.00
<b>Total</b>	<b>35000.00</b>	<b>33500.00</b>
<b>Annex. II , ADMINISTRATIVE EXPENSES :</b>		
Designing & Sampling Exp.	0.00	0.00
Power & Fuel	0.00	0.00
Rent	0.00	0.00
Rates & Taxes	0.00	0.00
Insurance Exp.	0.00	0.00
Postage , Telephone & Fax	0.00	0.00
Travelling & Conveyance	0.00	0.00
Printing & Stationery	0.00	0.00
Vehicle Running Exp.	0.00	0.00
Legal & Professional Charges	0.00	0.00
Misc. Office Expenses	1729.00	1903.00
Repair & Maint. ( P / M)	0.00	0.00
Auditor's Remuneration	5000.00	5000.00
P.O.P. & Capital Issue Exp. ( W / O)	0.00	0.00
<b>Total</b>	<b>6729.00</b>	<b>6903.00</b>
<b>Annex. III , FINANCIAL EXPENSES :</b>		
Bank Charges & Commission	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

Date : 02.09.2010

Place : New Delhi

As per our audit report of even date annexed  
For R.K.Saxena & Associates  
Chartered Accountants

  
P.R.Saxena  
Partner

  
Director

  
Director