

**Nineteenth
Annual Report
2004-2005**

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Amulya Leasing and Finance Ltd.

Registered Office : G-10, Pushkar Enclave, (Top Floor)

Paschim Vihar New Delhi -110063

Amulya Leasing & Finance Limited

BOARD OF DIRECTORS

Vikas Goel

Managing Director

Sh. Pradeep Goel

whole time Director

Sh. B.B. Gupta

Director

Sh. Anil Goel

Director

Sh. Anant Aggarwal

Director

AUDITORS

M/S R.K. Batra & Co.

Chartered Accountants

Delhi

Company Secretary

Kapil Kumar

MAIN BANKER

Punjab National Bank

REGISTERED OFFICE

G-10, Pushkar Enclave, (Top Floor)

Paschim Vihar New Delhi -110063

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NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the members of the Company will be held on Friday, the 30th day of September, 2005 at 11.30 A.M. at G-10, Pushkar Enclave (Top Floor), Paschim Vihar, New Delhi –110063, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2005 and Profit & Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director, in place of Sh. B.B Gupta, Who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s R.K. Batra & Co., Chartered Accountants, the retiring Auditors, as Statutory Auditors of the company, to hold office from the conclusion of the forthcoming Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For Amulya Leasing & Finance Ltd.

Place : New Delhi
Dated: 30.06.2005

(Kapil Kumar)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, SUCH A PROXY NEED NOT BE MEMBER OF THE COMPANY.
2. The instrument appointing proxy, in order to be effective must be lodged with the registered office of the company at least 48 hours before the schedule time of the meeting.
3. The Register of Members and the Share Transfer Books of the company will remain closed from 27. 09.05 to 30.09.05 (both days inclusive).

4. Only registered Members carrying attendance slips and holders of valid proxies registered with the Company will be permitted to attend the meeting
5. The Members are requested to :
 - (a) Intimate to the Company changes, if any in their registered address at an early date.
 - (b) Quote ledger folio no. in all their correspondence.
 - (c) Bring their copy of the Annual Report and the attendance slips with them at the Annual General Meeting.
6. Members are requested to intimate their queries, if any, relating to the accounts or any other matters at least seven days in advance of the meeting so that the information can be made readily available and furnished at the meeting.
7. **Re-appointment of Directors**
Sh. B.B. Gupta, retires by rotation at the forth coming Annual General Meeting and being eligible offers himself for re-appointment. The information or details pertaining to Sh. B.B. Gupta to be provided in terms of clause 49 of the listing agreement with the Stock Exchanges are furnished in the Corporate Governance Report published in this Annual Report.



AMULYA LEASING & FINANCE LTD.

Directors Report

To,
The Members
Amulya Leasing & Finance Ltd.

Your Directors have pleasure in presenting the 19th Annual Report with Audited Statement of Accounts of the company for the year ended 31st March, 2005.

FINANCIAL RESULTS

Financial results of the company for the year under review are summarized as below :

Particulars	Year ended 31.03.2005	Year ended 31.03.2004
Gross Revenue	31,59,898.00	29,82,537.31
Profit before Depreciation & Taxation	921,368.40	744,208.52
Depreciation	137,883.81	186,689.14
Provision for Tax- Current	240,000.00	170,000.00
- Deferred	(46,374.00)	(645,667.00)
Provision for Doubtful debts	656,777.00	18,99,878.00
Provision for Dep on Share Stock	215,555.00	-
Excess Provision for Tax (Previous Year)	(103,517.00)	2,974.00
Profit/Loss	45,119.59	(863,717.62)

PERFORMANCE REVIEW

During the year under review, your company achieved total income of Rs.31,59,898.00 as compared to Rs 29,82,537.31 in the previous year. Net profit for the year was Rs. 45,119.59 as compared to Net Loss of Rs. 863,717.62 in the previous year. Increase in Profits is a good indication for the future and Your directors expect that the initiatives undertaken will result in more improvement of financial results in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS :

INDUSTRY STRUCTURE AND DEVELOPMENT

The finance sector continues to be characterized by high volatility. The recent governmental policies have strived to lend stability and provided the much needed fillip to the industry. The banking as well as the non-banking entities showed remarkable progress during the year under report.

OUTLOOK, RISK AND CONCERN

NBFCs can sustain in this competitive environment only through identification of potential business areas, widening geographical reach, cost efficiencies, strict credit monitoring and raising the level of customer service. In addition to that rigorous credit evaluation and efficient collection and recovery system are also the major area of concern.

The Company is exposed to normal industry risk factors, economic, political and social risk. The Company shall however meet these challenges and concerns by adopting more prudent and comprehensive business policies.

OPPORTUNITIES AND THREATS

As observed during last few years, the traditionally debt- averse Indian Consumer has been gradually becoming more and more credit happy and has aspiration to enhance the quality of his life. Considering this, there are tremendous potential in retail financing in the years to come. Positive attitude of the Indian consumers will result in the growth of the business of the Company in future.

However, tough Competition , strict regulations by regulatory authorities, non recovery of dues due to lack of favorable recovery mechanism and uncertain market conditions continues to be threats for the business of the Company.

ADEQUACY OF INTERNAL CONTROL SYSTEM

Company has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of laws and regulations. The company regularly monitors that all regulatory guidelines are complied with at all levels.

The Audit Committee constituted by the Board reviews the adequacy of Internal Control System.

SEGMENT WISE PERFORMANCE

Company operates only in one segment.

DIVIDEND

Your Directors regret their inability to recommend any dividend in view of low profits during the year under review.

FIXED DEPOSITS

Your Company has not accepted any deposits from public. There are no unclaimed or unpaid deposits as on 31st March, 2005.

DIRECTORS

Sh. B.B. Gupta, Director of the company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

MATERIAL CHANGES

There are no material changes and commitments, affecting the financial position of the company between the end of the financial year of your company and the date of Directors' Report.

AUDITORS

M/s. R.K. Batra & Co., Chartered Accountants, the Auditors of the company retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and your Board recommend their reappointment as Auditors of the Company. The company has received letter from them to the effect that their appointment, if made would be within prescribed limit under Section 224(1B) of the Companies Act, 1956.

AUDITOR'S REPORT

The observations in the Auditor's Report are dealt in the notes forming part of accounts at appropriate places and the same being self explanatory, no further comment is considered necessary.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i) That in the preparation of the accounts for the financial year ended 31st March, 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2005 on 'going concern' basis.

PARTICULARS OF EMPLOYEES

There is no employee whose particulars are required to be furnished in terms of Sec. 217(2A) of the Companies Act, 1956 and rules made there under.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your company has no activity relating to conservation of energy and technology absorption. The Company did not have any foreign exchange income/ outflow.

CORPORATE GOVERNANCE

A report on Corporate Governance appears in this Annual Report. A certificate from M/s. R.K. Batra & Co., Chartered Accountants, Statutory Auditors with regard to Compliance of the Corporate Governance code by your company is annexed hereto as Annexure and forms part of this report.

ACKNOWLEDGEMENT

The Board acknowledges with gratitude the co-operation and assistance provided by the company's Bankers, Financers, Government and non- Government agencies. The relationship with the employees remained cordial and your Directors wish to place on record their appreciation of the contribution made by the employees at all levels. The Directors also thank the shareholders for their continued support.

For and on behalf of the Board of Directors

Place: New Delhi.
Date : 30.06.2005

(Vikas Goel)
Managing Director

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CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The philosophy can be described as the business practices with the ultimate aim of enhancing long term shareholder's value and remaining committed to high standards of business ethics. Your company and its employees have a commitment to its customers, competitors, local communities, shareholders and the nation to conduct the business in an ethical and legal manner.

2. BOARD OF DIRECTORS

During the year, the Board consisted of five directors, Four director out of Five Directors are Non Executive. and three of them is Independent. Shri Vikas Goel, Chairman of the Company is a Non Executive .

Sl. No	Name of the Director	Status	Date of appointment	Date of Cessation	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attended	No. of other directorship and membership and chairmanship.		
								Other Directorship	Committee Membership	Committee Chairmanship
1.	B.B. Gupta	Managing Director	09.12.85	N.A.	10	10	Yes	1	1	-
2.	Vikas Goel	Non Executive	25.03.04	N.A.	10	10	Yes	3	1	-
3.	Pradeep Goel	Independent Non Executive	26.04.04	N.A.	10	10	Yes	2	2	1
4.	Anil Goel	Independent Non Executive	15.07.04	N.A.	10	8	Yes	1	-	-
5.	Anant Aggarwal	Independent Non Executive	26.04.04	N.A.	10	10	Yes	Nil	2	1
6.	Chandrakanta Gupta	Independent Non Executive	18.07.93	15.07.04	10	3	No	Nil	-	-
7.	Manohar Lal Gupta	Independent Non Executive	30.03.02	26.04.04	10	1	No	Nil	-	-

Note: Vikas Goel was appointed as a Managing Director of the Company instead of Sh. B.B. Gupta w.e.f. 28.05.2005 and Sh. Pradeep Goel was appointed as Whole time Director w.e.f. 28.05.2005

DATE & NUMBER OF BOARD MEETINGS HELD

Ten Board meetings were held during the year on 26th April, 2004, 30th June, 2004, 15th July, 2004, 30th July, 2004, 28th August 2004, 29th October 2004, 2nd December 2004, 31st January 2005, 1st March 2005 and 18th March 2005.

3. AUDIT COMMITTEE

The Company has an Audit Committee of Directors. The Committee has the powers similar to those stated in the listing Agreement and exercises most of the functions as per terms of reference of the Audit Committee.

COMPOSITION

The Audit Committee of the Board of your Company comprises of three members, all non Executive and Independent Directors. The Committee function under the chairmanship of Mr. Pradeep Goel who is an independent Director.

Name of Members	Designation	Status/ Position
Pradeep Goel	Chairman	Independent Director
Anant Aggarwal	Member	Independent Director
Vikas Goel	Member	Non Executive Director

NO. OF MEETING AND ATTENDANCE AT MEETINGS

During the year 2004-05, Five Meetings of Audit Committee were held on 30th June 2004, 30th July 2004, 29th October 2004, 31st January 2005, and 31st March 2005.

The Attendance of the Committee members at the above meeting is as follows:

MEMBERS	COMMITTEE MEETINGS	
	Held	Attended
1. Sh. Pradeep Goel	5	5
2. Sh. Anant Aggarwal	5	5
3. Sh. Vikas Goel	5	5

Statutory Auditors are permanent invitees to the Audit Committee.

Note: Now Audit Committee has been reconstituted as on 5th April 2005 and Present Member of Audit Committee is Mr. Anant Aggarwal, Independent Director, Mr. Anil Goel, Independent Director and