

**Twenty First
Annual Report
2006-2007**

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For AMULYA LEASING & FINANCE LTD.


Director

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

Sh. 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
Rajesh Kumar Bansal

MAIN BANKER
Punjab National Bank
Axis Bank Ltd.

REGISTERED OFFICE

G-10, Pushkar Enclave, (Top Floor)
Paschim Vihar New Delhi -110063

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NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the members of the Company will be held on Saturday, the 29th day of September, 2007 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, 2007 and Profit & Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint two directors, in place of Sh. Pradeep Goel and Sh. Anant Aggarwal, who retire by rotation and being eligible offer themselves 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: 18.06.2007

(RAJESH KUMAR BANSAL)
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 scheduled time of the meeting.
3. The Register of Members and the Share Transfer Books of the company will remain closed from 27.09.2007 to Monday 1st 10.2007 (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. Pradeep Goel and Sh. Anant Aggarwal retire by rotation at the forth coming Annual General Meeting and being eligible offers themselves for re-appointment. The information or details pertaining to Sh. Pradeep Goel and Sh. Anant Aggarwal 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.



Directors' Report

To The Members Amulya Leasing & Finance Ltd.

Your Directors have pleasure in presenting the 21st Annual Report with Audited Statement of Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS

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

Particulars	Year ended 31.03.2007 (in rupees)	Year ended 31.03.2006 (in rupees)
Gross Revenue	94,540,049.08	83,253,269.91
Profit before depreciation and taxation	(2,177,756.24)	1,297,991.92
Less:		
Depreciation	288,988.00	223,396.89
Provision for tax-		-
Current	-	(165,000.00)
Deferred	160,469.00	0
Provision for doubtful debts	-	(150,000.00)
Provision for Depreciation on Share stock	-	-
Short provision for Fringe Benefit Tax	31700.00	-
Add:		
Short/ Excess provision for tax (previous year)	24,087.00	5,804.00
Deferred Provision for tax	-	123,037.00
Loss/ Profit	(2,634,826.24)	888,436.03

PERFORMANCE REVIEW

During the year under review, the Company has incurred a loss of Rs.2, 634,826.24 as compared to the profit of Rs.888, 436.03 in the previous year. Your directors expect that the initiatives undertaken will result in improvement in financial results in the coming years. The details of financial performance of the company are appearing in the Balance Sheet and Profit & Loss account for the year (3)

DIVIDEND

Your directors regret their inability to recommend any dividend in view of losses during the year under review.

FUTURE OUTLOOK

In the current year, your directors are putting up efforts and it is hoped that the company will do better and will be in a position to earn profit and later on try to declare dividends.

DIRECTORS

Sh. Pradeep Goel and Sh. Anant Aggarwal, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

They have vast experience of Management and operations. They have served our board with their valuable knowledge.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) that in the preparation of the accounts for the financial year ended 31st March, 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- a) 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;
- b) 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;
- c) That the directors have prepared the accounts for the financial year ended 31st March, 2007 on going concern basis.

CORPORATE GOVERNANCE

A report on Corporate Governance appears in this Annual Report. A certificate from Chetan Gupta & Associates, Practicing Company Secretaries with regard to Compliance of the Corporate Governance code by your company is annexed hereto as Annexure and forms part of this report.

The Audit Committee of the Board of Directors comprises of 3 members namely Sh. Anant Aggarwal, Sh. Anil Goel and Sh. Pradeep Goel. The committee oversees the company's financial information, review the quarterly/ half yearly/annual financial statements before they are submitted to the board of Directors and performs such other function as are to it by the terms of its reference.

AUDITORS

M/s. R.K. Batra & Co., Chartered Accountants, the Auditors of the Company retires at the forthcoming Annual General Meeting and is eligible for re-appointment. The Audit Committee and your Board recommend their re-appointment 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.

AUDITORS' REPORT

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

FIXED DEPOSITS

Your Company has not accepted any deposits from public. There are no unclaimed or unpaid deposits as on 31st March, 2007.

PARTICULARS OF EMPLOYEES

There is no employee whose particulars are required to be furnished in terms of Section 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.

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 the Directors' Report.

ACKNOWLEDGEMENT

The Board acknowledges with gratitude the co-operation and assistance provided by the company's bankers, financiers, government and non-government agencies. The relationship with the employees remained cordial and your director's 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
(Pradeep Goel) (Vikas Goel)

Place: New Delhi
Date : 18.06.2007

WholeTimeDirector Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

The 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

The Company operates only in one segment.

HUMAN RESOURCES

Human Resources (HR) are our key assets. The company takes all steps to harness this resource to its full potential to ensure fruitful results and employee satisfaction. The HR function ensures that appropriate talent in the industry is attracted and retained. During the year under review, development of leadership and people capability in the organization continued to be of focus.



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, three directors out of Five Directors are Non Executive and three of them are Independent. Shri B.B. Gupta, Chairman of the Company is a Non Executive.

Sl. No	Name of the Director	Status	Date of appointment	Date of Cessa tion	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attended	No. of other directorship and committee membership and chairmanship.		
								Other Director ship	Committee Member ship	Committee Chairma nship
1.	Vikas Goel	Managing Director	25.03.04.	N.A.	10	10	Yes	8	-	-
2.	Pradeep Goel	Whole Time Director	26.03.04	N.A	10	10	Yes	2	1	-
3.	B.B. Gupta	Chairman	09.12.85	N.A	10	10	Yes	1	3 -	
4.	Anil Goel	Independent Non Executive	15.07.04	N.A.	10	8	Yes	1	1	-
5.	Anant Aggarwal	Independent Non Executive	26.04.04	N.A.	10	10	Yes	Nil	3	2

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 Mr. Adarsh Malik was appointed as a director during the year and he has resigned from directorship on 31.03.2007.