



ARAVALI SECURITIES & FINANCE LIMITED

Regd. Office: UCO Bank Building, III Floor, Parliament Street, New Delhi - 110 001

TO SHARE HOLDER

Dear Sir/Madam,

After the introduction of the Depository system by the Depositories Act, 1996 many companies have been asked to get their securities dematerialised compulsorily. SEBI has also directed your company to join both the depositories i.e. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) before 27th November 2000. Your Company has already file the necessary documents on 17/8/2000 for signing the tripartite agreement with the said depositories.

Please be informed that the securities of your Company is in the compulsory DEMAT mode w.e.f. 27/11/2000 and the script is available for dematerialisation before the schedule date also and shall be dematerialised as and when request is received from the share holders.

All correspondence (Quoting folio No.) in this regard should be addressed to our share department, as given under :

ARAVALI SECURITIES & FINANCE LIMITED

28, II FLOOR, JIA SARAI,

NEW DELHI-110016

Tel. : 6856375, 6856487 Fax : 6856487

The Company has appointed M/s, Skyline Financial Services Private Limited, as its Electronic Depository Registrar, and the address of the same is :

Skyline Financial Services Private Limited

123, Vinoba Puri, Lajpat Nagar-II,

New Delhi-110024

Tel. : 6847136, 6838501 Fax : 6918352

E-mail Address : snag@ndf.vsnl.net.in

certain frequently asked questions pertaining to Demat are mentioned below for your reference:

What is a Depository ?

A Depository can be compared to a bank. A depository holds securities of investors in electronic form. Besides holding securities, a depository also provides services related to transactions in securities. A depository interfaces with its investors through its agents called Depository Participants (DPs) if an investor wants to utilise the services offered by a Depository, the investor has to open an account with a DP. This is similar to opening an account with any branch of a bank in order to utilise the banks services.

What do you mean by Dematerialisation ?

Dematerialisation is the process by which physical certificates of an investor are converted to an equivalent number of securities in electronic form and credited in the investor's account with his DP. In order to dematerialise by filling up a dematerialisation request form (DRF), which is available with his DP and submit the same along with the physical certificates, the investor has to ensure that before that the shares are handed over to the DP for demat, he marks "submitted for dematerialisation" on the face of the certificates.

What should I do when I want to open an account with a DP ?

The process of opening an account with a DP is similar to the opening of a bank account, you can approach any DP of your choice and fill up an account opening form. At the time of opening, the DP will sign a standard agreement with you, which details the rights and duties of yourself and your DP.

Can my electronic holding be converted back into certificates ?

Yes, if you wish to get back your securities in physical form, all you have to do is to request your DP for rematerialisation of the same. Rematerialisation is the term used for converting electronic holding back into certificates. Your DP will forward your request to NSDL after verifying that you have the necessary balances. NSDL in turn will intimate the register who will print the certificate and despatch the same to you.

What is the process for selling dematerialised shares ?

The procedure for selling dematerialised shares in stock exchanges is similar to the procedure for selling physical shares, instead of delivery physical shares to the broker, you instruct your DP to debit your account with the number of shares sold by you and credit your broker's clearing account. This delivery instruction has to be given to your DP in a standardised format, which will be available with your DP. The transactions relating to sale of shares are summarised as under.

1. Investor sells shares in any of the stock exchanges linked in NSDL through a broker of his choice.
2. Investor gives instruction to his DP for debit of this account and credit of his brokers clearing member pool account.
3. On the pay-in day, investors broker gives instruction to his DP or delivery to clearing corporation of the relevant stock exchanges.
4. The broker receives payment from the clearing corporation.
5. The investor receive payment from the broker for the sale in the same manner he would payment for a sale in the physical mode.

How can I purchase dematerialised shares ?

The procedure for buying dematerialised shares in stock exchanges is similar to the procedure for buying physical shares. When an investor wants to purchase share in electronic form, he/she has to instruct the broker to purchase the dematerialised shares from the stock exchanges linked to depository. Once the order is executed, the investor has to give his/her DP an instruction to receive securities into the brokers depository (Clearing) account. Alternatively the investor may give a one time standing instruction to receive credit into his/her account. Shares that remain in the clearing account of the broker on the book closure/record date will not eligible for corporate benefits.

The transactions relating to purchase of shares are summarised below :

1. Investor purchases a shares in any of the stock exchanges connected to depository through a broker of his choice and makes payment to his broker.
2. Broker arranges payment to clearing corporation.
3. Broker receives credit in his clearing account with his DP on the pay-out day.
4. Broker gives instructions to his DP to debit his clearing account and credit his clients account.
5. Investors gives instruction to his DP for receiving credit in his investor account. If the instructions match, investors account with his DP is credited.

We will keep you informed/updated on any further development on the diversification/expansion activities of the Company from time to time.

We constantly look forward to your kind cooperation and patronage to render our plans successful.

Best Regards

Sd/-

DAVINDER BHALLA

G. M. & Company Secretary



ARAVALI SECURITIES & FINANCE LIMITED

Regd. Office: UCO Bank Building, III Floor, Parliament Street, New Delhi - 110 001

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of M/s. Aravali Securities & Finance Ltd. will be held on Thursday, the 14th Day of September, 2000, at 11.30 a.m. at Air Force Auditorium, Subroto Park, Near Dhola Kuan, New Delhi,

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2000, and the Profit and Loss account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr Vijay Sachdeva who retires by rotation and is eligible for re-appointment.
3. To appoint auditors for the current year and to fix their remuneration.

SPECIAL BUSINESS

4. Appointment of Director :

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as Ordinary Resolution :

"RESOLVED that Mr. Anupam Poddar who was appointed as an additional director u/s 260 of the Companies Act, 1956, and who vacates office at this Annual General Meeting and in respect of whom the company has received notice from a Member under section 257 of the Companies Act, 1956, proposing his candidature for the office of director, and who is eligible for re-appointment be and is hereby appointed as Director of the Company whose period of Office will be liable to determination by retirement of Directors by rotation."

5. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

- i) Insert the following Heading and Article as Article 30B after Article 30A

DEMATERIALISATION OF SECURITIES

Definitions 30B

- 1) For the purpose of this Article :-

'The Depositories Act, 1996' shall mean The Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository; 'SEBI' means the Securities and Exchange Board of India; 'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and 'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities

2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for investors

3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is a beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form.

4) All securities held by the depository shall be dematerialised and be in fungible form. Noting contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, (hereinafter referred to as 'The Act') shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners

5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by Depository.



Service of documents

6) Notwithstanding anything in the act or these articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks.

Transfer of securities

7) Nothing contained in section 108 of the act or these articles shall apply to transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of securities dealt with a depository

8) Notwithstanding anything contained in the Act or in these Articles, where securities are dealt with in Depository, the Company shall intimate the details of allotment of Securities to Depository immediately on allotment of such Securities.

Distinctive numbers of securities held in a depository

9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Option to opt out in respect of any security

10) If a beneficial owner seeks to opt out of a Depository in respect of any security, the owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

Report

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

Stamp duty on securities held in dematerialised form

11) No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository

12) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

- ii) Insert the following heading and Article 17A after Article 17 :

REGISTER AND INDEX OF MEMBERS

17A

The Company shall cause to be kept at its Registered Office or as such other place as may be decided by the Board of Directors, Register and Index of Members in accordance with Section 150 and 151 and other applicable provisions of the Act and the Depository Act, 1996 with the details of shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of the Companies Act, 1956 and any amendment or re-enactment thereof. The Company shall have power to keep in any State or Country outside India, a Register of Members for the residents in that state or country.

- iii) Insert the following heading and Article as Article 72A after Article 72.

NOMINATION BY SHAREHOLDERS

Nomination 72A

(a)1) Every shareholder or debenture holder of the Company, may at anytime, nominate, in the prescribed manner, a person to whom his shares in, or debentures of the company shall vest in the event of his death.

2) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.

3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentureholder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.

4) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.



Transmission of Securities by nominee

b) A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either -

1) to be registered himself as holder of the share or debenture, as the case may be; or

2) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debentureholder, could have made;

3) if the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be.

4) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

Registered Office :
UCO Bank Building, III Floor
Parliament Street
New Delhi - 110001
Dated : 16th August, 2000

By Order of the Board of Directors

DAVINDER BHALLA
G.M. & 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 AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS APPENDED WITH ADMISSION SLIP.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 13th day of September, 2000 to Thursday, the 14th day of September, 2000, both days inclusive.
3. Members are requested to notify immediately any change in their addresses.
4. Documents referred to in the accompanying Notice is open for inspection at the Registered Office of the company during office hours on all working days except holidays between 11 A.M. to 1.00 P.M. upto the date of the Annual General Meeting and will also be available for inspection at the Meeting.
5. Member/Proxies should bring the attendance slip duly filled in for attending the Meeting.
6. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast ten days in advance so as to enable the company to keep the information ready.

ANNEXURE TO NOTICE

Explanatory Statement under section 173(2) of the Companies Act, 1956 :

The following constitutes the Explanatory Statement setting out all material facts relating to the Special Business in the accompanying Notice dated 16th August, 2000.

ITEM NO.4

APPOINTMENT OF DIRECTOR

The Company appointed Shri Anupam Poddar as additional Director of the Company and he holds office upto the date of ensuing Annual General Meeting. The Company has also received Notice from the member under section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Shri Anupam Poddar for the office of Director. He is well educated and energetic person and also is eligible for re-appointment.

Your Directors consider it in the interest of the Company that Shri Anupam Poddar be appointed as Director of the Company,

Shri Anupam Poddar is interested to the extent that he will be appointed as Director of the Company. Shri R. K. Poddar being father of Shri Anupam Poddar is also interested in the said resolution.



None of the other Directors are interested in the resolution except to the extent of their share holdings or that they are Directors of the Company.

ITEM NO. 5

DEMATERIALISATION OF SHARES

Consequent upon the enactment of the Depositories Act, 1996 and the Securities and Exchange Board of India making compulsory dematerialised trading of the Company's shares, the company's shares will be allowed for trading in dematerialised form only. The Depositories Act, 1996 has amended some of the provisions of the Companies Act, 1956 pertaining to issue, holding, transfer, transmission and dealing in shares and other securities as also issue of relevant certificates thereof, so as to facilitate the introduction and implementation of the Depository System.

Further, by the Companies (Amendment) Act, 1999 the holders of security of the Company have been given an option to nominate a person to whom the rights of security holders of the Company shall vest in the event of his death. It would be beneficial if such nomination clause is included in the Articles of Association of the Company.

It has, therefore, become necessary to alter the Articles of Association of the Company as proposed in the Resolution set out at Item No.5 of the accompanying Notice.

The Directors recommend the Resolution for approval of the Members.

No Director of the Company is concerned or interested in the said Resolution except to the extent of his/her shareholding.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11.00 A.M. and 1.00 P.M. on any working day.

Registered Office :
UCO Bank Building, III Floor
Parliament Street
New Delhi - 110001
Dated : 16th August, 2000

By Order of the Board of Directors

DAVINDER BHALLA
G.M. & Company Secretary

DIRECTORS' REPORT

TO THE MEMBERS

The Directors of your company hereby present the 20th annual report on the working of the company together with audited accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	31.3.2000	31.3.1999
	(Rupees in lacs)	(Rupees in lacs)
a) Profit before interest, depreciation and taxes	501.84	762.16
b) Less : Interest	324.15	312.15
c) Profit before depreciation and taxes	177.69	450.01
d) Less : Depreciation	215.57	273.62
e) Profit/(Loss) before Provision of tax and NPA's	(37.88)	176.39
f) Less : (Provision)/withdrawal for income reversal and asset as per RBI Prudential Norms	(67.42)	(338.07)
	21.52	(80.73)
g) Loss Before Taxation	(83.78)	(242.41)
Add : Provision for Income Tax/Wealth Tax	(2.83)	(22.87)
h) Loss After Taxation	(86.61)	(265.28)
Add : Balance brought forward from previous year	(1414.92)	(1186.03)
	(1501.53)	(1451.31)
Less : Income Tax/Wealth Tax in respect of earlier years	(2.16)	19.24
	(1503.69)	(1432.07)
Add : Amount Transferred to Debenture Redemption Reserve	-	(3.55)
	(1503.69)	(1435.62)
Less : Amount Transferred from Investment Allowance Reserve	75.00	20.70
BALANCE (DEBIT) CARRIED TO BALANCE SHEET	(1428.69)	(1414.92)

DIVIDEND

During the year, the company has suffered loss and there is no surplus in the Profit & Loss Account. Therefore, the directors do not recommend any dividend for the year under consideration.

OPERATIONS

The recessionary trend and intense competition, specially from the financial institutions has affected the lease and hire purchase business in the country.

During the year under consideration, the turnover of the company was Rs.2011.82 lacs as against Rs.2011.61 lacs in the previous year and sale of paper and shares was Rs.1505.12 lacs as against Rs.1196.61 lacs in the previous year.