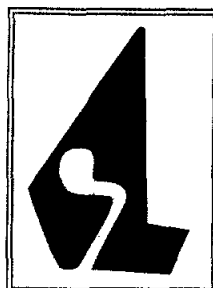


ARAVALI SECURITIES & FINANCE LIMITED



21ST ANNUAL REPORT 2000-2001



ARAVALI SECURITIES & FINANCE LIMITED

BOARD OF DIRECTORS	<ol style="list-style-type: none">1. Shri Ranjan Kumar Poddar (Chairman & Managing Director)2. Shri Sanjay Dalmia3. Shri Vijay Sachdev4. Shri Anupam Poddar
SECRETARY	Shri Davinder Bhalla
AUDITORS	Salarpuria & Partners
INTERNAL AUDITORS	Rajan Goel & Associates
BANKERS	<ol style="list-style-type: none">1. Bank of Baroda2. Punjab & Sind Bank
REGISTERED OFFICE	UCO Bank Building, III Floor, Parliament Street, New Delhi-110001
SHARE DEPARTMENT	28, II Floor, Jia Sarai, New Delhi-110016



ARAVALI SECURITIES & FINANCE LIMITED

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

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the members of M/s. Aravali Securities & Finance Ltd. will be held on Saturday, the 22nd Day of September, 2001, at 11.00 a.m. at Air Force Auditorium, Subroto Park, Near Dhaula Kuan, New Delhi,

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2001, 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 Sanjay Dalmia who retires by rotation and is eligible for re-appointment.
3. To appoint auditors for the current year and to fix their remuneration.

Registered Office :
UCO Bank Building, III Floor
Parliament Street
New Delhi - 110001
Dated : 6th August, 2001

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 IS APPENDED WITH ADMISSION SLIP.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 20th day of September, 2001 to Saturday, the 22nd day of September, 2001, both days inclusive.
3. Members are requested to notify immediately any change in their addresses to the Secretarial Department of the company situated at UCO Bank Building, Parliament Street, New Delhi - 110 001
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 (Monday to Friday) 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.
7. The Company has entered into agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). for the dematerialisation of securities. The Shareholders can have their shares dematerialised through these depositories.

Members desiring to have their shares in dematerialised form may send their share certificates through their depository participants, to the registrar of the Company namely M/s. Skyline Financial Services Pvt. Ltd., 123, Vinoba Puram, Lajpat Nagar-II, New Delhi-110 024, Tel. No. 6918352.



DIRECTORS' REPORT

TO THE SHARE HOLDERS

Your Directors have pleasure in presenting their annual report and audited accounts of the Company with Auditor's Reports for the year ended 31st March, 2001.

WORKING RESULTS	2000-2001 (Rupees in lacs)	1999-2000 (Rupees in lacs)
Profit before interest, depreciation and taxes	363.88	558.68
Less : Interest	234.04	324.15
Profit before depreciation and taxes	129.84	234.53
Less : Depreciation (including lease adjustment)	209.59	272.41
Profit/(Loss) before Provision of tax and NPA's	(79.75)	(37.88)
Add : (Provision) / withdrawal for income reversal and asset as per RBI Prudential Norms	63.64	(67.42)
	(16.11)	105.30
Add : (Provision) / withdrawal for diminution in value of investments	(19.94)	21.52
Loss Before Taxation	(36.05)	(83.78)
Add : Provision for Income Tax/Wealth Tax	NIL	2.83
Loss After Taxation	(36.05)	(86.61)
Add : Balance brought forward from previous year	(1428.69)	(1414.92)
	(1464.74)	(1501.53)
(Add)/ Less : Income Tax/Wealth Tax in respect of earlier years	15.39	(2.16)
	(1449.35)	(1503.69)
Less : Amount Transferred from Investment Allowance Reserve	43.75	75.00
BALANCE (DEBIT) CARRIED TO BALANCE SHEET	(1405.60)	(1428.69)

DIVIDEND

There being loss in the year under consideration, your directors do not recommend any dividend for this year.

OPERATIONS

During the year under consideration, the turnover was Rs.2240.40 lacs as against Rs.2086.66 lacs in the previous year

and sale of paper and shares was Rs.1868.88 lacs as against Rs.1505.12 lacs in the previous year.

The lease and hire purchase income during the year under consideration amounted to Rs.19.56 lacs and Rs.16.93 lacs respectively. Interest, dividend and other income etc. amounted to Rs. 334.94 lacs during the year. The decline in the business of the company is due to selective approach adopted in financing and tight money position caused by Non-funding to Financial Companies by the bankers.

The company has also created a special force to collect the overdues through pursuation, arbitration and legal proceedings.

The company is hopeful of the positive results to be achieved in a period of time.

FINANCE

During the year, the finance availability with the company was low since the banks are not extending further credit to the company.

The Company has not accepted/renewed any fixed deposits from public / Shareholders during the year under consideration. At the close of financial year 2000-2001, the Company has 18 fixed deposits amounting to Rs. 2.15 lacs from public/ shareholders, which have matured for repayment but remained unclaimed or for which the Company has not received any instruction for desposal from the depositors before 31st March, 2001. The depositors were intimated individually of their unclaimed amount with a request to comply with the formalities for refund of their deposits. However, as on date the Company do not have any outstanding fixed deposit.

DIRECTORS

In accordance with the provisions of the Companies Act 1956 and Articles of Association of the Company, Mr Sanjay Dalmia, Director, being the longest in the office will retire by rotation and being eligible is recommended for re-appointment.

AUDITORS' OBSERVATIONS

Auditors have drawn attention of the members towards note no. 8 and other notes appearing in notes to the accounts in schedule 15 which have been suitably explained in the said notes to accounts and are self-explanatory. Efforts are being made for obtaining physical verification certificates from lessees / hirer's and reduce concentration of investments / loans given within norms of RBI guidelines. Now since entire fixed deposit from shareholders have been repaid, no liquid assets are required to be maintained as per RBI guidelines.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The Company being engaged in the financial services and trading, does not have any energy utilization or technology absorption. The company during the year under consideration has not earned or spent any foreign exchange.



PARTICULARS OF EMPLOYEES

The Company has not employed any person during the year under consideration whose aggregate remuneration was Rs.12.0 lacs or more per annum, if employed throughout the year or Rs.1.00 lacs or more per month, if employed for a part of the year.

DIRECTORS' RESPONSIBILITY

The Directors confirm,

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) That they have selected such accounting policies and applied them consistently and made judgments 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 of the company for the year ended on that date.
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That they have prepared the annual accounts on a going concern basis

AUDIT COMMITTEE

As required under section 292A of the Companies (Amendment) Act, 2000, the Audit Committee has been constituted. The members of the audit committee are Shri Vijay Sachdev, Shri Anupam Poddar, Directors & Shri Rajan Kumar Poddar, Managing Director of the company.

CORPORATE GOVERNANCE

Securities and Exchange Board of India (SEBI) has recently announced a code of Corporate Governance to be practiced by corporates. Some of these provisions have been made mandatory through the Listing Agreements with the Stock Exchanges. Your company is required to comply with the mandatory provisions within the financial year 2001-2002, but not later than March, 2002. Your Board initiated necessary action to ensure necessary compliance by the end of the current financial year.

AUDITORS

M/s Salarpuria & Partners, Chartered Accountants, the Auditors of the Company, hold office upto the date of the ensuing Annual General Meeting and are recommended for re-appointment. Your company has also received a certificate from the said Chartered Accountants, to the effect that the appointment, if made, would be within the limit prescribed

ARAVALI SECURITIES & FINANCE LIMITED

u/s 224 of the Companies Act, 1956. You may consider their re-appointment and fix their remuneration also.

ACKNOWLEDGEMENT

Your directors would like to express their sincere appreciations for the co-operation received from shareholders, bankers, depositors and other business constituent during the year under review. Your directors also wish to place on record their deep sense of appreciations for the commitment displayed by all employees of the company.

Registered Office :
UCO Bank Building, III Floor
Parliament Street
New Delhi - 110001
Dated :6th August, 2001

By order of the Board
For ARAVALI SECURITIES & FINANCE LIMITED

RANJAN KUMAR PODDAR
Chairman & Managing Director





AUDITORS' REPORT

We have audited the attached Balance Sheet of ARAVALI SECURITIES & FINANCE LIMITED as at 31st March, 2001 and Profit & Loss Account annexed there to for the year ended on that date. We report as follows:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
2. Further to our comments in the annexure referred in Paragraph 1 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 purpose of our audit;
 - (b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of such books;
 - (c) The Balance sheet and Profit & Loss Account dealt with by this report are in agreement with the said books of account;
 - (d) The Balance Sheet and the Profit and Loss Account comply with the Accounting Standards referred in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31st March, 2001 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) (i) We invite the attention of the members to :
 - (a) Note No.8 of schedule 15 regarding non provision for leave liability in respect of employees amounting to Rs.445460.
 - (b) Had the observations made above considered, loss after tax for the year would have been Rs.4050805 (as against the reported figure of Rs.3605345) and accumulated debit balance in Profit & Loss Account would have been Rs.141005986 (as against the reported figure of Rs.140560526);
 - (ii) In our opinion and to the best of our information and according to explanations given to us, the said statements of account subject to matters referred in sub-paragraphs (f)(i)(a) and (f)(i)(b) above and read together with other notes appearing in Schedule 15 thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - (1) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2001, and
 - (2) In the case of the Profit and Loss Account, of the loss of the Company for the year ended 31st March, 2001.

For SALARPURIA & PARTNERS
Chartered Accountants

KAMAL KUMAR GUPTA
Partner

Place : New Delhi
Dated : 6th August, 2001.