

ARCO LEASING LIMITEDMUMBAIDIRECTORS REPORT TO THE SHARE HOLDERS

Your Directors have pleasure in presenting REPORT together with the Audited Accounts for 31st March 1999.

FINANCIAL RESULTS:

FOR THE YEAR
ENDED 31-03-1999

Rs.

Gross Receipts	12,72,831	
Gross Profit before Depreciation	6,09,938	
Less : Depreciation	4,13,606	

Net Profit/(Loss) Before Tax	1,96,332	
Provision for Taxation	21,000	

Net Profit/(Loss)	1,75,332	8,825
	=====	=====

DIVIDENDS :

Your Directors are not recommending any dividend.

EMPLOYEES :

There are no employees drawing remuneration exceeding the amount prescribed under the provisions of section 217(2A) of the Companies Act, 1956.

DISCLOSURE OF OTHER PARTICULARS :

Particulars as required in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) rules, 1999 are not applicable to the Company.

DIRECTORS :

Shri Narandra Ruita, Director, retires by rotation and being eligible, offers himself for reappointment.

AUDITORS :

M/s F.R. Soni & Co., Chartered Accountants are willing to continue in office as Auditors of the Company and are recommended for reappointment.

ACKNOWLEDGEMENT :

The Directors wish to place on the record their appreciation for co-operation received by the Company from its Bankers and Employees.

By order of the Board,

[Signature]
Rajendra Ruita
CHAIRMAN

MUMBAI

DATED: 03/11/99

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CERTIFIED TRUE COPY

ARCO LEASING LTD.

[Signature]
Director.

T. R. SONI & CO.

CHARTERED ACCOUNTANTS

T. R. SONI

B. Com. F. C. A.

Phone : 2833194 + 2833195

Ref. No. _____

Date _____

AUDITORS' REPORT

TO
THE SHAREHOLDERS OF ARCO LEASING LIMITED

We have audited the attached Balance Sheet of ARCO LEASING LIMITED as at 31st March 1999 and the Profit & Loss Account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 we enclosed in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1, above we state that :
 - a. We have obtained all the information and explanations which to 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 the Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i. In so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March 1999, and
 - ii. in so far as it relates to the Profit & Loss Account of the PROFIT the company for the year ended on that date.

FOR T. R. SONI & CO.
CHARTERED ACCOUNTANTS

T. R. SONI
(PROPRIETOR)

PLACE : MUMBAI

DATED : 3rd NOVEMBER 1999

T. R. SONI & CO.

CHARTERED ACCOUNTANTS

T. R. SONI

B. Com, F. C. A.

Phone : 2833194 • 2833195

Ref. No. _____

Date _____

ANNEXURE TO THE REPORT

(Referred to in paragraph 1 of our Report of even date.)

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. As informed to us that Fixed Assets have been physically verified by the management at reasonable interval and no material discrepancies were noticed on verification.
2. None of the Assets have been revalued during the year.
3. In our opinion, the rate of interest whichever applicable and the terms and conditions on which unsecured loans have been obtained from Companies, firms or other parties which ought to be listed in the register maintained under Section 301 are not prima facie prejudicial to the interest of the company.
4. In our opinion, the rate of interest wherever applicable and the terms and conditions on which unsecured loans have been granted to Companies, firms or other parties which ought to be listed in the register maintained under section 301 Companies under the same management are not prima facie prejudicial to the interests of the Company.
5. There is adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including companies, plant and machinery, equipment and other assets.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act 1956.
7. There were no amounts outstanding on 31st March, 1999 in respect of undisputed income-tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.
8. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses which have been charged to Profit and Loss Account nor have we been informed of such case by the management.
9. The Company is not a Sick Industrial Company within the meaning of clause (D) of Sub-section (1) of section 3 of the Sick Industrial Companies (Special Provision) Act, 1985.
10. The Company has maintained proper records of transactions in respect of shares and timely entries have been made therein also that the investments have been held by the Company in its own name.
11. According to the records of the company provident fund and Employees State Insurance dues have been regularly deposited during the year with the appropriate authorities.
12. In our opinion clauses iii to vi, vii, xiv to xvi of the aforesaid order are not applicable to the company for the year under report.

FOR T. R. SONI & CO.
CHARTERED ACCOUNTANTS