

ARCO LEASING LIMITED**DIRECTORS' REPORT**

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the TWENTY FOURTH Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 2008

1] **FINANCIAL RESULTS:**

		FOR THE YEAR ENDED 31-03-2008 (Rs.)	FOR THE YEAR ENDED 31-03-2007 (Rs.)
	Gross Receipts	1,64,736	88,954
	Gross Profit / (Loss) before Depreciation	79,885	(24,635)
	Less: Depreciation	3,006	3,521
	Net Profit / (Loss) Before Tax	76,879	(28,156)
	Less: Provision for Taxation	7,947	Nil
	Add: Deferred Tax Asset Created	Nil	7,178
	Less: Deferred Tax Asset Reversed	18,091	Nil
	Net Profit / (Loss)	50,841	(20,978)

2] **DIVIDENDS:**

Your Directors do not recommend any dividend.

3] **EMPLOYEES :**

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

4] **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, 1988, are not applicable to the company.

5] **AUDITORS:**

M/s. ANIL G. GANDHI & CO Chartered Accountants are willing to continue in office as Auditors of the Company are recommended for reappointment.

Contd...2/-

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. that the selected accounting policies were applied consistently and the directors made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis.

7) **COMPLIANCE CERTIFICATE:**

A Compliance Certificate under Section 383A of the Companies Act, 1956, received from the Company Secretary in whole time practice is attached herewith.

8) **ACKNOWLEDGEMENTS:**

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

For and on behalf of the Board



Rajendra Ruia
Chairman

MUMBAI

DATE :- 21/07/2008.

ANIL G. GANDHI
B.COM.F.C.A
CHARTERED ACCOUNTANT

ANIL G. GANDHI & CO.
CHARTERED ACCOUNTANTS

B/3, Ashavihar, Hendre Pada, Badlapur (West) Pin 421503
 Phone : 9422475480

AUDITOR'S REPORT

To
 The Members Of
 ARCO LEASING LIMITED

We have audited the attached Balance Sheet of ARCO LEASING LIMITED as at 31st March, 2008 and the Profit & Loss Account and the Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report that:

1. As required by the Companies (Auditors' Report) order, 2003 issued by the Central Government of India 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.

2. Further to our comments in the annexure referred to in para 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 purposes of our audit

B. In our opinion proper Books of Account as required by law have been kept by the company, so far as it appears from our examination of those books.

C. The Balance Sheet and the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

~~D. In our opinion, the Balance Sheet and the Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting Standards referred to in section 211(3C) of the Companies Act 1956.~~

E. On the basis of the written representations received from the Directors as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a Director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

F. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes on accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

I In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008 and

II In the case of the Profit & Loss Account of the PROFIT of the Company for the year ended on that date.

III In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR ANIL G. GANDHI & CO
CHARTERED ACCOUNTANTS



PLACE : BADLAPUR
DATE: 21/07/2008



ANIL G. GANDHI
PROPRIETOR
MEMBERSHIP NO. 49589

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ARCO LEASING LIMITED**(ANNEXURE REFERRED TO IN PARAGRAPH – 1 OF OUR REPORT OF EVEN DATE)**

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed during such verification on comparison with book records. In our opinion the frequency of verification is reasonable.

c) During the year the company has not disposed off a major part of its Fixed Assets.

2. As explained to us the Company does not have an inventory, as such the provisions of clause ii(a),(b),(c) are not applicable.

3. a.) The company has ^{taken} a loan from one of the party covered in the register maintained u/s. 301 of the Companies Act 1956, The maximum amount involved during the year was Rs 0.20 lacs and the year end balance of loans taken from such party was Rs. Nil. The company has granted loan to one Company covered in the register maintained u/s. 301 of the Companies Act 1956. The maximum amount involved during the year was Rs 12.42 lacs and the year end balance of loans given to such parties was Rs. 12.42 lacs.

b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from and given to Companies, firms & other parties listed in the register maintained under section 301 of the companies Act, 1956 are not prima-facie prejudicial to the interest of the company.

c) The company is regular in repaying the principal amounts and interest wherever stipulated.

d.) There is no overdue amounts of loans granted to companies, firms or other parties listed in the register maintained u/s. 301 of the Companies Act 1956.

4. In our opinion and according to explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, Fixed assets and with regard to the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weakness in internal Controls.